WP 0144316 X

VIHH316 - M
8

WITHDRAWN

The POLYTECHNIC
WOLVERHAMPTON

ROBERT SCOTT LIBRARY
ST.PETER'S SQUARE,
WOLVERHAMPTON WV1 1RH

NOT FOR LOAN BEFORE
-9 APR 1979

22 JUN 1990

-5 NOV 1990

14 DEC 1990

-5 FEB 1991

Please RETURN this item on or before the last date shown above.

WP 0144316 X

THE EXPERIMENT OF BOLSHEVISM

THE
EXPERIMENT OF BOLSHEVISM

By ARTHUR FEILER

TRANSLATED BY
H. J. STENNING

ROBERT SCOTT LIBRARY,
POLYTECHNIC
WOLVERHAMPTON.

LONDON
GEORGE ALLEN & UNWIN LTD
MUSEUM STREET

The German original, "Experiment des Bolschewismus", was first published in 1929

FIRST PUBLISHED IN GREAT BRITAIN IN 1930

RS
947.084 FEIL
[330.947 FEI]
144316

All rights reserved

PRINTED IN GREAT BRITAIN BY
UNWIN BROTHERS LTD., WOKING

PREFACE

The experiment of Bolshevism has to-day reached a crucial stage. The consequences of the war and of the civil war have been practically overcome. The experiment has now to be tested.

Much time has elapsed. Twelve years of revolution after three years of war—in such a state of violent and continuous tension has a people of 150 millions lived since August 1914. A new generation, remoulded from top to toe, is growing up. The gigantic task of reconstruction has yet to be undertaken.

Whether the nation and whether the rest of the world will give the régime time to attempt it is doubtful. At any rate, the lines upon which this attempt is to be made are now sufficiently perceptible. For the protracted struggle within Bolshevism itself is again settled for the time being. Trotskyism is overthrown. The opposition from the Right is momentarily silenced. The course is set. The five-year plan is its expression. The new agrarian communism now being ushered in reflects it in the first stage of its application, as do the methods, now emphasized more clearly, of industrial, political, and labour policy, and of Bolshevist aims generally. Perhaps it is now possible to see daylight through all the chaotic medley of this colossal episode, and from a comprehension of the economic, the political, and the intellectual bases and aims, to frame a diagnosis.

In this spirit I have tried to understand Bolshevist Russia during a three-months' journey of investigation, lasting from March to June 1929. I owe thanks to

many for information, for advice and assistance. To my wife, who accompanied me, this book will serve as a reminder of the impressive and stupendous things which we saw there.

A F.

FRANKFORT-ON-MAIN,
September 1929

CONTENTS

	PAGE
PREFACE	5
THE PATHOS OF REVOLUTION	9
THE PROLETARIAN WAY OF LIFE	15
The Scarcity	
Government Palaces and Hovels	
The Appearance of the Ruling Class	
The Bottom Dogs	
Incomes—Levelling and Variations	
Art and Clubs	
Conjugating in the Future Tense	
The Contest between Sacrifice and Patience	
THE BASIS OF THE EXPERIMENT	37
Annual Increase of Population—3½ Millions	
Natural Riches and Poverty	
Illiteracy	
The Civil War	
—Plus Bolshevism	
THE HIGH COMMANDS OF BOLSHEVISM	50
State Capitalism and Private Enterprise	
The Collapse of War-Communism	
Foreign Trade Monopoly	
The Isolation of the Currency	
Control of Credit	
Control of Industry	
Control of Prices	
The Goal	
THE FIVE-YEAR PLAN	68
Economic Directivity	
Intentions and Realities	
Investments of 78·4 Milliard Roubles	
Increased Production and Price Reductions	
Socialization	
Still an Agrarian Nation!	
Optimists, Ironists, and Politicians	
INDUSTRY UNDER BOLSHEVISM	86
The Heritage	
Fantasias in Kilowatt Hours	
Impediments	
Socialization and Management	
The Red Manager	
Discipline in the Workshop	
The Specialist	
High Working Costs	
Profit as an Incentive	
Socialistic Competition	
ISLETS OF CAPITALISM	112
424 Per Cent. Profit	
The Significance of the Concession Policy	
Prospects and Perils of Concessionaires	
New Projects	

PAGE

THE WORKER UNDER BOLSHEVISM 121
Economic Snapshots
The New Situation
Works Democracy under the Dictatorship
Settling Wages without the Right to Strike
The Trade Unions and the System

THE PEASANT UNDER BOLSHEVISM 139
The New Land Law
Peasant Emancipation and Land Shortage
The Elevation of the Peasant
Discouraging the Peasants
The Campaign against the Kulaks
The Peasant and Collectivization

AGRARIAN COMMUNISM 154
Communal "Cominterns"
Types of Collectivization
Giant Communes
The Reluctant Peasant and the Pressing State
Pioneering in the Steppes
The State as Grain Producer
The Result in Plan Figures
The Contractors
The Peasant as Worker in the Grain Factory

THE POLITICAL RULE OF THE DICTATORSHIP 178
The Red Flag over the Kremlin
The New Right of Nationalities
The Goal of the Dictatorship
The Suppression of the "Former People"
The New Educational Privileges of the Proletariat
The Party as Élite, Sects and Orders
Those who are Led
The Pressure of the Dictatorship and its Consequences
The Instruments of Dictatorship
Who—Whom?

THE OLD FAITH AND THE NEW 202
The Campaign against the Old Churches
The Religion of the New World Order

THE NEW SOCIETY 212
The Emancipation of Woman
The Emancipation of Children
The Russian and the Machine Age
The Change of Heart

THE INTERIM BALANCE SHEET 227
The Collective Man

EPILOGUE 247
Spring 1930

INDEX 254

THE EXPERIMENT OF BOLSHEVISM

THE PATHOS OF REVOLUTION

Who—whom? These two words, frequently used in the Russian controversy, sum up, in fact, the fateful question of every revolution. Who subdues whom? Who destroys whom? Who rules whom? Who triumphs over whom?

Who—whom? Everything is contained in these two words. Everything pertaining to the present, that is to say. And only in a future, for which this present has already become the past, is the form of the question changed. For then it no longer runs: "Who triumphed?" but simply, "What was achieved?" instead of "Who won?" "What won?" But the answer to this question as to what, instead of as to whom, is not supplied by history until the revolution is ended and the struggle is over, or rather until the revolution has lost its combative character, and given place to the more peaceful clash of minds. For the struggle itself never ends. This perpetual striving is the eternal task of the human race, for whom every achievement is but a step towards an ever-beckoning and ever-receding goal.

But even when it misses or misconceives or outstrips its object, the revolution—I mean, every real revolution—is a seven-leagued leap in world-history. Whatever may be the watchwords at its outset, what finally counts is its result; but what it destroys is thereby proved ripe for destruction. What it accomplishes is thereby proved ripe for achievement. However much the actual outcome may ultimately diverge from what was contemplated by those who started the

revolution, a simple return to the past is out of the question. A real revolution can never be eradicated from the hearts and minds of nations. Its proper features are always burned into their very souls. The revolution is inextinguishable; in this higher sense there is no such thing as an unsuccessful revolution. And the fact of the revolution itself proves its historical necessity, as it indicates that the pressure of the old system had become intolerable. It releases the forces of the new order, which, too long suppressed, now destroy everything around them with an elementary explosion, bursting the iron walls which had imprisoned them. Political wisdom which designs to avert the destruction of the revolution must forestall it by timely concessions. Revolutions are averted only by reforms which are voluntary concessions to the necessities of the hour. Conversely: "We did not make the Revolution, the Revolution made us", as Danton says in Georg Büchner's illuminating drama.

Every revolution springs from anger and fury and hate, and wild rage of destruction marks its commencement and its progress. "The people are like a child: they must break everything to see what is inside it", is another of Büchner's remarks. All great revolutions have passed over the country like devastating natural catastrophes, trampling on men and property, and destroying without discrimination the worthless with the valuable, the innocent with the guilty.

Carlyle wrote the *History of the French Revolution*. The work of the great Scotsman is one loud shriek of horror at the cruelties of this revolution, whose historical necessity he nevertheless upholds. Even the civilization of the ruling social section in France, which was then destroyed, had a value; else these men and

women would never have laid their necks beneath the guillotine with such nonchalance: rococo, which even in dying preserved the smiling grace of its beauty. At the same time, they felt themselves that their time was come, that their civilization bore beautiful blossoms from a putrid soil, fed by the exploitation of a nation in bondage, which could no longer endure its servitude. Who was guilty? Assuredly, many of those whom the Reign of Terror seized and destroyed were not guilty. But who was guiltless? "So many centuries", writes Carlyle, "had been adding together, century transmitting it with increase to century, the sum of Wickedness, of Falsehood, Oppression of man by man. Slow seemed the Day of Settlement . . . yet behold it was always coming; behold it has come, suddenly, unlooked for by any man! The harvest of long centuries was ripening and whitening so rapidly of late; and now it is grown *white*, and is reaped rapidly, as it were, in one day. Reaped, in this Reign of Terror; and carried home, to Hades and the Pit!—Unhappy Sons of Adam; it is ever so; and never do they know it, nor will they know it. With cheerfully smoothed countenances, day after day, and generation after generation, they, calling cheerfully to one another, Well-speed-ye, are at work, *sowing the wind*, and yet, as God lives, they *shall reap the whirlwind*: no other thing, we say, is possible,—since God is a Truth, and His world is a Truth."

Every revolution means suffering and death. "Moses led his people through the Red Sea and in the wilderness until the old, effete generation had been ground out, before he founded the new State", says Büchner's St. Just. Even in the countries that experienced no real revolution after the World War, the old, effete generation, at least as regards one lifetime, was drawn

entirely within the orbit of this war, which is grinding it out, imperceptibly and impassively. But the revolution throws up the men who embody the will of destiny and recognize no limit and no obstacle to the enforcement of this will. "Only a craven dies for the revolution, a Jacobin slays for it." And out of this implacable quality of revolutionary intention he creates the revolution, he creates the forms of government: "The revolutionary government is the despotism of freedom over tyranny."

Every revolution practises such despotism: "In a republic, only republicans are citizens; royalists and foreigners are foes." But every revolution is then menaced by the demoralizing influence which despotism has upon the despots, when they are joined by men of ambition, careerists, and business men. "The most dangerous citizens are those who will fling up a dozen red caps more readily than do a solid stroke of work", or when despotism, from being an instrument of revolution, becomes an end in itself. In every revolution the moment arrives when some cry: "The revolution has now reached the stage of reorganization. The revolution must cease and the republic must begin." While others proclaim: "The social revolution is not yet finished; to leave a revolution only half finished is to dig one's own grave." That is the testing time, which every revolution in one way or another must pass through. Then the gods are athirst; revolutionaries fight revolutionaries, and the revolution devours its own children. This too is the fate of every great revolution.

The Russian Revolution exhibits all these characteristics. But in one respect it is unique: in its goal. The German Peasant War of the sixteenth century, which might have become the historical starting-point

of European freedom, and which (thanks to Luther's apostasy) could not develop into a revolution, but remained at the insurrectionary stage, drew its impulse and derived its objective from old, decadent rights which it designed to restore. Remembering old liberties and rights which it conceived to be threatened, it fought for better liberties and better rights. And the great French Revolution had in front of it the example of the English Revolution of the preceding century, as well as the example of the American Free States, whose constitutions also became the model for their declaration of the Rights of Man. There is no model for the goal of the Russian Revolution. For Babeuf's equalitarian conspiracy of 1796 was nothing but a desperate gamble, while the Paris Commune of 1871—which Bolshevism now reveres as its precursor, consecrating the day of its outbreak, the 18th of March, as a public holiday—suffered the same fate. Within a few weeks it was suppressed by French troops who were already defeated by the external foe; it had neither opportunity nor time to make any attempt to put its ideals into practice. Russian Bolshevism, now in its twelfth year after the conquest of power, has made this attempt—an unparalleled, a truly unique experiment. For man is the subject of this experiment, and at every turn the human element pierces the heart. What with heroic deeds and terrible atrocities, barbarous acts and stirring achievements, vast general projects and trivial failures in detail, the stranger from without is tossed about amidst the most contradictory impressions. The whole terror of the Revolution continuously invades him, nor can he escape from the sense of historical purpose and actuality in all their formidable proportions. The profound pathos of history—an immense, a tragic pathos, one feels it to be. And strange

to relate, even some of the actors, the subjects of this pathetic tragedy, feel it in the same way through the freedom of distance. But only a few. For it goes without saying that the vast majority are either active participants or passive victims, and while the active participants are either elevated or depressed by the tremendous magnitude of the revolutionary task which they have set themselves and which fills their lives to bursting-point, the victims feel only the pressure, the misery and the terror of the Revolution, which crushes and destroys their lives with pitiless cruelty. Nevertheless, the dividing-line is no longer intact. Already there is an intermediate section of elevated spirits, who during the perpetual transformations of the revolutionary years have risen above themselves and their own individual fates to an objective participation in the mighty process of this revolution. It was a man who had been severely hit by the revolutionary régime who said to me, from the depths of his own bitter fate: "If you recognize the Revolution as a historical fact, then you must regard it as a whole, you cannot have one part of it and not the others, you cannot choose what you will have. The result is still in the lap of the gods. But one thing remains: men hold their heads an inch higher—there is more pride among men." Pathos of revolution!

The Scarcity

Socialism means wealth, we are taught. But the present experience of Russian humanity is poverty, deprivation, and in many districts of the gigantic country stark hunger.

In February 1929 the wheat supplies in large villages, especially in the Caucasus, were completely exhausted; the country population there were living on maize bread. In other villages in the same district there was no longer even maize for the people, who consumed the oil-cake destined for the cattle. Peasants from the outlying parts went to Moscow in order to buy back, for cattle food, the bread cereals which the Government had bought up, at low prices, in the villages; the introduction of bread cards mainly serves to counteract this consumption of rye as fodder, which is fostered by the official price-fixing, as well as by the actual shortage of fodder. Over vast areas where the harvest is deficient, in South Ukraine and the Crimea, and over vast areas with bumper harvests, such as the rural districts about Leningrad, which are supplied either inadequately or not at all, as the official rationing of bread is designed to favour the towns, hunger stalks the land, hunger of man and beast. Even in the towns and the great industrial centres the food shortage grows more acute week by week.

With respect to industrial products, the situation is not much better. The largest city stores and shops of the consumers' associations frequently exhibit in their windows the last remnants of commodities that have long since been cleared off the shelves. Whenever

textile goods are offered for sale, hundreds of people wait for hours in order to obtain a wholly inadequate supply with their tickets, and in many rural districts the stores are also promptly cleared out, unless finished industrial products are diverted thence by way of preference, to stimulate the delivery of foodstuffs. Again, more and more articles, one after another, are drawn into the orbit of official rationing (in Moscow one piece of soap was allowed to every family for the whole month of June). And many unrationed articles are, as a general rule, not to be had, except by a lucky chance. In many clinics, even in operating-rooms, the most ordinary medical supplies are lacking. In a country dairy in the South, which was shown to me with great pride (and which could dispose of double its daily production of three thousand bottles if it had the means to do so), the bottles containing milk for infants had to be stopped with waste paper, because parchment paper was not to be had. Even Russian specialities, such as eggs, wood, paper, Russian rubber shoes and Russian tea, of which there are ample supplies abroad, are lacking at home. The internal market is ruthlessly depleted in order to procure, by export, the foreign money that is needed. And in order to economize the scanty supplies of foreign money, university professors, for instance, are only allowed a few roubles' worth of foreign books and periodicals a month; foreign supplies for libraries are curtailed, and intellectual and scientific intercourse with abroad is almost entirely suspended by the refusal of foreign passports to Russian scholars.

These are examples which might be multiplied. The scarcity is severe. Next to the scarcity itself, the worst affliction is the effort of procuring, the standing for hours in the queues before the shops, this terrible

tax on time, strength, and nerves. At various times, in large towns, I met brain-workers who had not seen any meat on their tables for weeks (and were unable to supplement their diet in any other way), simply because their work did not permit them to stand outside the butchers' shops at dawn and wait there for their rations until nearly noon. For, of course, the same sequence is now unfolding itself in Russia of which we had sufficient experience: scarcity, official rationing, increased scarcity, hoarding, and illicit trading, except that the latter is a very risky business in Russia, and consequently supplies only a fraction of the population.

Government Palaces and Hovels

Thus a scarcity of goods, not only of every modest luxury of life, which as a rule does not exist at all, but a scarcity of the articles of immediate necessity, is the fact that dominates the whole of existence in Russia at the present time. To this must be added an appalling housing shortage, which tends to make life in all the cities of the gigantic empire an excruciating torment.

New up-to-date buildings, iron-concrete constructions, flat roofs, and occasionally even skyscrapers, are the order of the day in Russia. Impressive examples may be seen in Moscow in the new central post office, in the huge buildings of the Gostorg (a State trading organization which has multifarious connections with Germany), in the tower building of *Isvestia*, and also in the big new housing settlements. The cube buildings, with their straight lines and serried rows of windows, rear up strangely from the confusion of the old city, from the old streets and alleys, which often have the appearance of being badly neglected.

What impressed me most among the new buildings was the palace of industry in Charkov. Charkov became the Capital of the Ukraine after the end of the civil war, because Kiev lies too near the frontier. A number of public buildings meet the gaze on arrival, including the fine old House of Peers, which was made the headquarters of the Central Executive. But, of course, this does not go nearly far enough to accommodate the political administration, the industrial administrations, etc. And so a vast new Government building was constructed to house these administrations, or rather a cluster of buildings, which here and there rise to a height of fourteen stories, all being connected with each other by projecting bridges. The architectural effect of the whole scheme, with its entire lack of ornamentation, is extraordinarily impressive from the massive stonework, the arrangement of the individual parts and the variety of the superstructures. Over four thousand rooms are already available in the cluster, and still the building is not finished; further wings are to be added and ornamental grounds are to be laid out.

But if you proceed only for a few minutes beyond this really imposing modern palace, you will find almost in its immediate neighbourhood human dwellings which are literally nothing more than caves. And these are not isolated cases: several thousands of persons, citizens of the Communist State, have to live there. They have dug themselves into a long hillside and made some sort of shelter. Here and there a roof made of a few planks laid together rises above the surface, or a door partition, occasionally a kind of fence to mark off the "property". There are many dogs, even one or two lean cows, reminders of an earlier village home, and between them—crowds of people,

children and adults. In fact, I was told that even in these caves a number of families share their accommodation with strangers, whom they have taken in as lodgers.

I do not know whether cave-dwellers form a permanent feature of other large cities of the Soviet realm, but the housing situation in Russian towns generally, and above all in Moscow, is one of the heaviest calamities from which this people suffers. The reason for this is the constant enormous increase of population and the migration from the country to the town, which is partly, of course, accelerated by the policy of industrialization. In Moscow this increase during recent years has amounted to 300,000 souls annually; that is to say, a new town of very considerable size ought to be added here in the Capital alone. But for this the means are lacking. Building goes on, but the arrears are not overtaken. Dwelling-space is rationed to a minimum; former hotels and everything that can be utilized are pressed into service, but it does not suffice. The people are crowded closer and closer together. When I inspected a large textile factory in Moscow and the spacious new housing colony, built in its immediate vicinity by the workers' co-operative society, with the aid of a State building credit of eight millions of roubles, the conductor told me that they were building dwellings of two, three, and four rooms. This astonished me, as it contradicted all that I had previously learnt. But when I came to the dwellings themselves, the riddle was soon solved. The dwellings had, in fact, the number of rooms indicated, but one family lived in each room. And I very soon learned to recognize the number of families living together in an apartment from the number of cooking-stoves in the kitchen, as each family is in the habit of cooking

for itself, notwithstanding the terrible limitation of space. Many people are hoping that later on this individual housewifery will be superseded to a large extent by common meals in popular restaurants, but to-day, where this is not the case, communism has not yet induced the users of the common kitchens to arrange to take turns in common cooking. The amount of gossiping and quarrelling that goes on there perpetually can be imagined. In reality, numerous families have not even a room for themselves. Married couples with children have to share their room with another family, and the chalk line which divided such apartments in old Russia fulfils the same function in new Russia. The houses of the former comfortable classes, even small one-family houses in the suburbs, have been requisitioned for general housing purposes. The stream has overflowed and overfilled them, without perceptibly alleviating the situation. In a former gentleman's house of eight rooms, no less than twenty-four different families live together. That is a Moscow example, which certainly does not indicate the worst degree of misery. I have been told of cases of married couples divorcing each other, and husband and wife each marrying again, without being able to find a new room; both freshly married couples then live together in the old apartment. Or two people may marry, and both may live in such overcrowded rooms as to be unable to come together, while they find no opportunity to make a change. Thus they are compelled to continue living apart in different quarters of the town. And such instances are by no means isolated. The worst sufferers are the brain-workers. The official rationing allots to them a few more square yards of space than to others. Yet in the course of very many visits I seldom found a room in which there was not

at least a bed standing. But the very worst sufferers of all are the children. Their plight is heartrending.

The Appearance of the Ruling Class

On the morning of my arrival in Moscow I walked for hours through the streets of the centre of the town. The shops look mean and shabby, like the people, although in these streets they do not seem poor. Their clothing is mostly warm and intact, but it has seen a lot of wear, or else it suggests such short supplies that people have to buy just what they can. There are women with men's coats, women in kerchiefs; fashion's latest cry has not yet been heard here. And this is the general aspect of things. There are hurrying, densely packed tramcars; between them ply the drivers of small carts, by means of which the most incredible articles, such as sofas and bedsteads, are transported; but one rarely sees an automobile, and never a private car, unless it be an official one. No café invites the saunterer to spend a quiet hour; restaurants for sophisticated Europeans exist only in the few hotels that are devoted to foreign tourists, and if there is a night club, it is an establishment of the most modest kind, only known to the initiated. Other eating-houses there are in plenty, large and small, but they are merely places where a meal is hastily swallowed, without amenities, without conveniences, and utterly unenticing. Everything is grey on grey. I try to visualize what is happening here, and an analogy, imperfect as are all analogies, and yet illuminating, gives me the clue. Here in the centre of the city, where the huge Government departments have their thousands of offices, and where the greater part of their economic activities is carried on, one is reminded of some outlying quarter of Paris, where the population

consists exclusively of workers and modest citizens. Workers and modest citizens packed in overcrowded tenements and teeming in overcrowded streets—so here, except that in Moscow there are only workers and employees. For this city consists solely of workers and employees. It is dominated by proletarians, by men who derive their livelihood from wages and salaries, and, what is more (an immensely complicated social problem in itself), depend upon a public, that is a State, municipal, or co-operative, employer. There are exceptions—hand-workers, domestic and petty industries, private trade, etc., the famous remnants of the "private sector", but the vast majority of citizens have no alternative but to work for the public employer, whom they serve as workers or employees. As workers or employees, let it be emphasized, as (male and female) factory workers or mechanics, who present an outward appearance of equality, from which only the engineers and technicians, by the badges in their caps, and the numerous soldiers, are marked out. Conditions here are entirely different from those prevailing in capitalist countries. In the latter case, the change in the structure of business—the joint-stock company supplanting the private undertaking—has only supplemented or replaced the ordinary citizen type by a new citizen type, by the general manager, the manager, the business manager, the works manager, and so on down all the steps of the social hierarchy. Here in Russia this external social gradation is absent, although there are grades inside the business, of which we shall have more to say later. For the moment I merely record the fact that the bourgeoisie is eliminated; this class exists no longer. Such is the first overwhelming impression which one receives in the most central quarter of the town, and this impression

deepens as one proceeds to the outer quarters, to the purely working-class districts, and more still in the provincial towns and in the country. Moreover, in other countries, the worker, once he has earned a little more, strives to emulate the outward habits of the bourgeoisie, even if nothing more comes of it than a bad imitation; and in the United States the skilled worker, when he washes and leaves the factory in ready-made clothes, is indistinguishable from other men, because he actually is a citizen and feels like one. In Russia it is the reverse. The whole outward aspect of things is proletarian, from which no one deviates. No man, for instance, wears any headgear except a cap, so that a foreigner is immediately detected by his hat. As far as appearances go, there is only one class here—the proletariat.

The Bottom Dogs

On the other hand, below the industrial working class, below the peasant and the land-worker in the village, there exists a proletariat which is poverty-stricken to a degree that shocks the foreigner more than the native, who is familiar with this spectacle from of yore. It is only the circles from which this misery is recruited that have changed somewhat in character. Street-traders proffer cigarettes and matches. They are mostly unemployed persons, who are organized in an association, and to whom this petty retailing of the products of the State monopoly is assigned by way of an unemployment subsidy which costs the State nothing. They are comparatively well off. Then there are the itinerant traders, with fruit, toys, a hen, a leg of veal, white bread, and many other things. The peasant type predominates among these people,

whom want has driven from the village to the town, and who hope to procure a few roubles from selling the products of their domestic industry or of their usually very slender surplus of foodstuffs, in doing which they are in constant conflict with the police. The appearance of a policeman puts them to precipitate flight, hoping to have better luck in the next street. To very many others even this source of livelihood is denied, and they live simply by begging. They swarm into the towns, and the charity of the Russian nature, always responsive to such appeals, prompts the bestowal of trifling sums upon these mendicants. How many of them may have seen better, perhaps brilliant, days, before the revolution plunged them into such dire distress? Nobody knows; but sometimes an initiate points out a ragged woman, or a decrepit old man, who are always begging at the same street corners, and mentions the aristocratic names which they formerly bore.

Worst of all, and a veritable scourge for the State, is the plight of the abandoned children. These *Besprisornui* are the legacy from the chaos of the civil war and of the starvation years. Many of them do not know whence they came and have even forgotten their names. They have banded themselves together, often with a quite strict organization. Clad in unspeakable rags, they roam the country, often on top of or underneath railway trains, and live from begging or from worse. It is said that the evil has now lessened, and this not merely by reason of the gradual extinction of these unfortunates. Efforts are made, for instance, to accustom them to a fixed domicile and regular labour in agriculture, and endeavours are made to collect the younger ones in homes, where some sort of attempt is made to impart instruction to children who

have never seen a schoolroom before. Model establishments for this purpose, as for all other purposes, exist in the Soviet realm, which are supposed to be efficiently organized. By chance and unannounced I visited a *Besprisornui* home, which was not of a model character, and the experience was desolating. The children looked as wild and neglected as in the streets; the staff was quite inadequate and perfectly resigned. The children were supposed to attend the village school near by, but in practice it was impossible to hold them; they were always running away. In a southern town at a very early hour in the morning, I once came across a whole crowd of them sleeping on the pavement, huddled closely together, the head of one on the lap of another; there they lay like a heap of young animals, a shocking sight.

It would certainly not be fair to judge these things by standards derived from conditions in Western Europe. The comparison must be made with old Russia, and reference must be made to the great Russian writers of the last century, who have bequeathed to us a picture of Russian life as they knew it. And if the European who has occasion to enter a Russian lavatory for the first time stands in perplexed amazement at what stares him in the face, so the Russian regards the European as a pattern of uncleanliness because we wash in basins and bathe in baths, whereas the Russian uses only running water (let it be running in never so thin a streamlet), and regularly stews in his *bannia*, the bathroom which even the poorest village is not without. Manners are different, and so are the pretensions of this people, who have for centuries been accustomed to uncomplaining endurance.

Incomes—Levelling and Variations

The visitor finds the most distinct traces of this on long cross-country journeys. The trains are clean, not less so than ours, and the traffic is normally punctual. On the important routes time-keeping is perfect. But there are few trains running, and the traveller who is not a privileged foreigner, armed with official papers which open all doors, is often obliged to wait for days, especially at the intermediate stations, to obtain a ticket, and then the trains carry only as many passengers as they have seats for. The consequence is that railway-stations tend to resemble the encampment of a people in course of migration. Passengers arrive at the stations with cushions and rugs, with provisions and kettles, with bits of luggage of every sort and size, prepared to wait there whole days and nights until a train comes to take them. And the same scene is enacted at the junction when people find it necessary to change trains. It is incredible that people can endure waiting many hours and whole days, tightly jammed together, lying, sitting, and standing—in fact, very many are often standing simply because there is nowhere to sit down, even on the ground. Then the whole room is filled with the continuous coughing, spitting, and sneezing of hundreds of people; it seems as if a whole nation has suddenly caught cold. Nobody knows anything, nor does anybody bother about the waste of time and the hardships. On the contrary, the people are amiable and good-humoured; they go to sleep or crack harmless jokes together. Sometime or other a train will come for them; sometime or other they will reach the end of their journey.

In the trains, however, class distinctions suddenly reappear, in striking contrast to the outward simplicity

of proletarian existence elsewhere. There are two classes on the railways: a hard class and a soft class, and each class discloses further differentiations. In the hard class, a seat-ticket entitles the traveller to a bench to lean against during the night, while an international sleeping-car is attached to the soft carriages in many trains. Class distinctions are even more pronounced on the steamers, where, worse than in the most unregenerate capitalist State, there are four classes: the first and second classes on the upper deck, graded according to the comfort of the cabins and saloon; a third class on the lower deck, with sleeping compartments for six, eight, and more persons, and, finally, the deck passengers, for whom no sleeping accommodation exists at all. Embarked on a journey of several days, they settle themselves, with their luggage, in the open. Endurance has become a second nature with these people. You should see them painfully ascending or descending the long hatchway, among them many women, with a child on one arm and a basket on the other, accepting it all as a matter of course and not regarding it as an occasion which demands sympathy or urgently clamours for assistance. Then you would more readily understand the patience with which they have borne their privations for many long years.

Passengers travelling in the soft class on railway trains, or in the first and second class on the steamers, are largely officials engaged on official business or Soviet delegates proceeding to a congress. They comprise to a lesser degree foreigners, of whom one really meets very few. Finally, there are natives whose incomes enable them to procure some slight travelling comforts. For in the Bolshevist State equality of impecuniosity has been brought almost to perfection, and the same observation applies to the modest char-

acter of incomes, although within their limits incomes still vary considerably. No member of the Communist Party may draw more than 225 roubles salary (in the Ukraine, for example, only 210 roubles), and this salary can only be supplemented by literary work and teaching, the proceeds of which are liable to the deduction of large sums. High Government officials, in fact, live very modestly, and often depend on the contributions of their wives. Others who are not party members make shift by undertaking several paid posts (in addition to "social" work which is gratuitously performed and is often very considerable), involving correspondingly stiffer taxes. This applies particularly to those who follow free vocations, so far as any survive at all. According to information supplied to me, which is necessarily deficient, eminent professors, for example, usually receive a maximum salary of 500 to 600 roubles monthly, which they are occasionally enabled to increase to a total income of some 1,000 roubles by teaching at several institutions at once. Or a doctor in charge of a clinic must be content with a salary of 250 to 300 roubles, in return for which he has only, it is true, to attend for five hours daily, which permits him to fulfil the same function at another clinic. A doctor of repute may perhaps have to attend only two hours, and is free to devote himself to private practice; but it must be remembered that private medical activities are always liable to be supplanted in favour of the official doctor for sick clubs. Other doctors who are not in leading positions have to be content with considerably lower salaries; the doctors in the Volga, for instance, who are exclusively appointed by the State, with 110 to 260 roubles a month; a head doctor of a clinic in a provincial town with 120 roubles, to which may be added 90 roubles for lectures and some

fees from private practice. Teachers in the continuation schools are in much the same position. I was given details of cases where such teachers' salary amounted to 80 roubles for a single course, which, however, could be increased to 160 or 200 roubles by taking two or two and a half courses. On the other hand, a village school teacher in the Volga district has to be satisfied with 52 roubles a month, but he, too, may have a chance to perform supplementary work. In industry, engineers receive 200 to 300 roubles, according to their position, leading experts 500 and 600 roubles, and in only a few very special cases salaries of 1,000 roubles and over. Many industrial workers, however, are paid wages of 200, 230, and even 350 roubles a month, but these are the peak wages of the most highly skilled. A monthly wage of 106 roubles in a printing works was quoted to me by way of an average example, a similar wage of 82 roubles (but including free quarters) in the petroleum district of Baku, and a wage of 73 roubles for work in a tobacco factory. For lower grades of work unskilled workers remain correspondingly below these average figures, receiving 70, 60, and 50 roubles per month, and occasionally even somewhat less. It must be borne in mind that these wages are supplemented by substantial social services, which the organized workers enjoy according to the economic importance of their work, such as price reductions, sickness insurance, holidays, and the like. Moreover, rents are calculated almost entirely with reference to the size of the worker's income, while accommodation is parcelled out according to the number of members of a family. Persons on the lower levels of income are therefore housed actually very cheaply, as a rule for 10 per cent. of their incomes, and occasionally for even less.

These are a few very summary indications (we shall later discuss in detail the position of the workers), but in estimating the value of these figures, it has to be borne in mind that the purchasing power of the rouble has shrunk considerably more than that of Western currencies, the index of wholesale prices being about 200 for Russia, as compared with about 140 for Germany (1913 = 100).

For the rest, the figures are intended solely to serve as guides. With all the variations that actually remain, they reveal, taken as a whole, an extensive levelling down of incomes in a proletarian social order. It would seem that this levelling process is borne with good humour, which sometimes manifests itself in an ironical shrugging of the shoulders: "What's the good of more money when there is nothing to buy and there are no houses?" Where a married couple who are both working have to support not only children, but also old parents, the wearing out of a pair of shoes upsets the family budget; but this has been known to happen outside Bolshevia. On the whole, of course, this extensive equality of income limitation facilitates assimilation to one social type, because it enforces simplicity in the style of living. Social competition in the outward conduct of life, which elsewhere is such a strong incentive to increased expenditure, while it also stimulates exertions to procure a larger income, is here entirely absent; the housing shortage alone renders it impossible.

How then does a person provide for his old age? It is very characteristic that when the younger people are questioned on this point, the astounding answer is frequently received that they have not yet thought about it at all, which is typical of the revolutionary quality of this existence. The peasant, who is in the

overwhelming majority, does not, of course, need to think of it, and many workers, who originally came from the country, still have the village to fall back upon. Other workers and employees are to some extent covered by insurance against old age, although the scheme is a modest one and as yet only in its infancy. Apart from this, opportunities of providing for old age are as scanty as they are for the accumulation of property. Facilities exist for deposits in savings banks and co-operative societies, and there are Government loans to which the thrifty may subscribe. Finally, there are opportunities of buying up all kinds of articles, including jewels, the sale of which enables members of the old possessing classes to prolong their lives a little longer. Occasionally these valuables are transferred to new owners, who hope, in their turn, to dispose of them and live on the proceeds when they are past work.

Art and Clubs

All this sounds cheerless enough, but colour is not altogether absent from this proletarian scheme of life. It is supplied chiefly by art. The galleries in the chief towns are splendid. Their immense treasures have been preserved intact, and even considerably augmented from private collections which the revolution found existing and which it confiscated. The most valuable portions of these private collections are now thrown open to the public. The theatres are splendid, and so are the concerts. It is touching to see how the people, who in old Russia had scarcely suspected the existence of these things, are clutching at them now with both hands. On Sunday mornings the museums are crowded, dominated even more

than are the streets by the working-class type, with here and there a peasant gaping at the sights. Groups of people following guides are everywhere to be seen. It looks as if a whole nation were being brought for the first time into contact with the treasures of the mind, formerly a privilege of education and wealth.

The same spectacle may be seen in the theatres and at the concerts. All the performances are crowded. Because the halls are small for grand concerts (for who but the *élite* had need of them formerly?), five successive performances have to be held in the Moscow orchestral hall on Sundays. These also are full, as most of the seats are regularly allotted to the trade unions, which here include all the members of a trade, from the leader-writer down to the compositor, from the chief engineer down to the errand boy; and these trade unions sell the tickets to their members, at a reduced price of 30 to 75 per cent., according to the person's circumstances. The staff of a large business frequently commands a performance for itself alone. And this delight in music and the theatre is not confined to the few large towns. For during the summer months, when the theatres are closed in the towns, theatrical companies tour the provinces and perform in the small towns in remote industrial centres and in the villages before enthusiastic audiences. First-class companies, even Stanislavski, Meierhold, and the others, tour in this way. Nor is this by any means all . All over the country the people are amusing themselves with amateur theatricals when work is done.

There is another thing which is typical of the new order in Russia, which no estimate of the new proletarian régime can ignore, and that is the clubs. The peasant on a visit from his village to the town, now for the first time finds a shelter of his own in the numerous

recently established "peasant houses", which provide a cheap night's lodging and offer facilities for rest, entertainment, instruction in the reading-rooms with books and newspapers, in lecture-rooms, etc. He is now able for the first time to feel himself a fully-fledged citizen in the city. Then there are numerous workers' clubs, frequently installed in former churches or the old houses of the wealthy; but many of them are housed in new buildings, constructed at great expense and furnished with startling luxury. The German trade union clubs I have visited are simply holes compared with these clubs, which contain a theatre, often with thousands of seats, halls for concerts and lectures, exhibition-rooms, libraries and reading-rooms, restaurant, billiard-rooms, gymnasium and the like, in addition to a large number of single rooms, where the special groups are in the habit of seeking their own interests: the musical circle, the chess circle, the dramatic circle, classes for languages, including Esperanto, etc. Needless to say, all clubs are not of so sumptuous a character, and frequently enough it is necessary to make use of primitive annexes. But the plan of every new industrial establishment includes a club as a matter of course, and in the great industrial centres the tendency is to enlarge the club more and more. The aim is, by means of these collective institutions, to provide the members of the working class with what they cannot find in their own homes. And the workers here are in fact better off than the Germans, who spend their money on expensive beer in the tavern, whereas the Russian workers pay twopence for a cup of tea, and have amusement and entertainment of every kind into the bargain. For next to amusement, instruction is the chief object of these institutions, which in fact perform educational work on a large scale—educa-

tional work for the old, who sit there at desks in front of a blackboard and learn to read and write; educational work for young workers (male and female), who receive encouragement and guidance to self-improvement, so that they may become skilled workers in their trades and useful citizens in the new State.

Conjugating in the Future Tense

These are pictures which point to the future, to a brighter future, and in the Soviet realm the thought of it, the hope of it, really inspires and dominates the proletarian reality of the present. In other countries they talk of the present: we are doing this, we are that; or the past: we were that, we did that, or even, it used to be just as good. In the country of the Soviet they speak in the future tense. Over and over again one hears: we shall, we shall—we shall create this industry, we shall develop that branch of production, we shall bring about this price reduction, we shall lower those prime costs, and so on in damnable iteration. Moreover, precise statistics are always ready to hand in support of these promises for the future. For in Russia every plan is drawn up in harmony with a vast plan which is designed to shape and determine the entire economic activity of this immense country five years ahead: the investment of capital and the enlargement of every single branch of business, rationalization and mechanization, as well as their statistical results. Three things only remain unplanned, namely, the weather, which governs the harvest; the inventive mind, which is always revolutionizing technique in the most unexpected manner; and love, which decides the number of the newly born (although this province is being invaded by numerous regulatory devices).

Thus the whole nation is really living on plans for the future, and this obsession with the future makes it easier for many (not for all) to bear the sacrifices and privations of the present. An analogy suggests itself: we are now passing through a defile, but soon we shall emerge into the open. There is a Russian proverb which runs: "Count your chickens in the autumn"; but new credulity scatters old wisdom to the winds, especially as some successes, a few undoubted improvements, are already to be recorded. Thus the visitor vainly seeks to escape from the eternal "we shall, we shall," by leaving Moscow; he hears it as ceaselessly outside. Even the country conjugates in the future tense. And the country and the centres also continually decline the other great word of the future: Americanism.

The Contest between Sacrifice and Patience

Here are a few striking facts of contemporary Russia as they appeared in the spring and summer of 1929. To go without is the watchword of salvation; in many districts there is hunger, although not actual starvation, and general scarcity, although not actual misery. But the issue still remains undecided, for the perfectly open discussions of the Soviet Union, the sharp clash of opposing forces within Bolshevism itself, really turn upon this: the degree of privation which can deliberately be imposed upon the present for the benefit of the future (industrialization), and the necessity of coping with the urgent situation which has been unconsciously and inconsiderately created, partly by the unkindness of Nature, but partly as the direct consequence of Bolshevist policy (agriculture!). Even the most optimistic predict that scarcity will prevail for at least a number of years. But the whole struggle

that is proceeding turns upon the question—behind which, in truth, lurks the question of the enforcement or abandonment of Communism—first, whether the requisite sacrifice can be borne by the population; secondly, whether this sacrifice will produce the expected result; and thirdly, whether, in staking everything upon raising the level of industrial productivity, there may not result, on the agricultural side, a further lowering of productivity which might be politically as well as economically disastrous. It is a grim race between failure and success, between sacrifice and patience; and it is regarded in this light by prominent men. Russia is to-day (and not for the first time) in the midst of a crisis, and the scales of destiny are still fluctuating between victory and disaster.

Russian Bolshevism is now in the midst of another crisis, but the nature of the crisis, paradoxical as it may at first sight appear, is by no means determined by the character of Bolshevism alone. The gigantic experiment which it embarked upon is not being enacted in a vacuum. Its shape and its essence are also determined by the soil out of which it arose, and which mixes its own elements, favourable and unfavourable, tractable and intractable, with the abstract elements of Bolshevist doctrine. Every attempt to understand and appraise the situation is doomed to failure if it overlooks this fact. The question at issue is Bolshevism plus Russia. And it is necessary to examine Russia, its potentialities and its limitations, its wealth and its poverty, in order to understand intelligently what is happening there. To this question we proceed to address ourselves.

Annual Increase of Population 3½ Millions

Not a single capitalist State—and this emphasizes the decisive factor of Russian development, even under the five-year plan—experiences such a natural rate of increase in population as does the Soviet Union. The natural increase of population through the excess of births over deaths amounts in France to 1·3 per 1,000, in England to 6·4, in Germany to 7·9, in Italy to 10·3; but in Russia it is 23 per 1,000. All European States added together, with a population of 370 millions, show an annual increase of population amounting to 2½ millions, whilst the Soviet Union, with its 150 millions of inhabitants, shows an increase of population year by year of 3 to 3½ millions. Its birth-rate is more than double that of Germany, France, and England, and one and a half times as large as that of Italy. But its death-rate, although still very high, is stated to be now considerably lower than in the old Czarist Empire (23 to 24 per 1,000, against 29 to 32). The result is that where 133·5 millions used to live in 1923, after the fearful losses of the war, the civil war, and the famine, 20 millions more are living to-day, that is 153·8 millions. In four years it will be about 170 millions, and ten years later the figure of 200 millions may be reached.

An increase in population of 3 to 3½ millions of people year by year! Grasp this fact, and it becomes clear that the difficult problems of Russian economy are in fact very largely independent of the peculiarities of the economic system. These economic problems would to a large extent be imposed upon Russia under any economic system, of whatever character, by the

fact of this annual 3 to $3\frac{1}{2}$ millions alone. They may signify future wealth. They may signify, if you like, the expectation of a progressive increase in the weight of this colossal body, both economically and politically, as a market, as producers and as buyers, as well as power as a political factor in the world. But their immediate significance lies in the fact that they represent a problem of enormous difficulty, which could be solved in no country except by exerting all the forces available to the utmost limit, as in order to cope with such a large annual influx of human beings the able-bodied must work all the harder for those who cannot yet work and those who cannot work any longer. And they must labour not for subsistence alone, but to lay the intellectual and material foundations which they need for their equipment, in order that, as population expands, they may be able to find the possibility of an independent ordering of their lives at all. They must therefore provide for education, for housing, for equipment with productive plant, and so forth. At all these tasks the present generation must labour for the benefit of the generation to come. For this purpose, if impoverishment is not to ensue upon the increase of population, they must accumulate capital by saving, whilst increasing the output of their own labour and restricting their own immediate consumption at the same time. This consideration applies to every country with an expanding population. Germany, and especially pre-war Germany, was confronted with a precisely similar problem. In the vastness of Russia many things, to be sure, are easier than in the narrow confines of our country. Russia has enormous territory, which could absorb the new-comers, and the simplicity of the Russian mode of life would facilitate such absorption. Nevertheless the task remains a colossal one.

Natural Riches and Poverty

The problem is immensely complicated by other things, which we possess, but which are still lacking in Russia. Again our immediate concern is not with Bolshevism and the economic system generally, but simply with the known facts of contemporary Russia. Immense and untapped resources slumber in this country. Its boundaries extend from the Arctic Sea to the sub-tropical districts of the South, and they contain boundless potentialities: forests, corn lands, and the possibility of cotton-growing, iron ore, copper ore, platinum and gold, coal, peat, petroleum, and the energy of its rivers. But most of the things requisite for utilizing these unlimited potentialities are lacking at the present time. "What do you expect of us", a Russian remarked to me, "in so short a time, in this country which lies buried in snow for seven months of the year, in which the subsequent thaws make all roads impassable, and in which, as in the Volga and the Northern Caucasus, even in summer, sandstorms blowing from Asia almost ruin the harvest (I have seen such trampled areas; it is a desolating sight), because the criminal destruction of the woods has deprived the country of its natural wooded protection!" This is perfectly true. And it is no exaggeration when many authorities on the Russian problem describe it as being, first and foremost, a problem of transport. Roads, canals to connect the great rivers and railways are needed by this country, of which even to-day large areas are almost shut off from the outside world because there are no means of communication. The appalling famine in the Volga in 1921 was aggravated by this cause. When Nansen, who is to-day revered in all the Volga villages, wanted to send there the food that had

been collected in the country, it arrived too late. In the meantime the panic-stricken people had taken to flight, in trains which they rushed, in carts, and on foot along the roads, and tens of thousands perished in this flight. To-day the authorities are better equipped to cope with a similar catastrophe. I was told of an incident which happened during the previous year, when bread was short in Moscow, whereas in Kasakstan (east of the Caspian sea) there were 100 million puds of corn, which could not be moved to the far-distant railway. Thereupon, in the course of a single day, all the motor-lorries on the streets of Moscow were requisitioned, transported by rail to the district, the drivers and mechanics following in a train immediately behind, and so these supplies of corn were brought to Moscow with the utmost celerity. But such journeys (which, of course, serve for propaganda at the same time) cannot be undertaken to Siberia, where quantities of low-priced food may be had of which the West stands in urgent need, without its being possible to equate supply and demand. In this connection, the question whether a greater degree of freedom in trade would not contribute to the removal of such difficulties can only be mentioned in passing. At any rate, the road and transport question is an immense problem, and in order to solve it large amounts of capital are required, which must be laboriously saved, because they cannot be procured in any other way. That is only one example. The same observation applies to plant for extracting and treating industrial raw materials. One must have seen this backwardness, and then inspected the imperial castles in Moscow, in Leningrad and the South, some of which are decorated with a lavish splendour that throws into the shade the palaces of the French kings; one must have seen this glaring contrast between the

lack of the rudiments of economic life and these imperial castles, as also the frequently not less princely country seats and town mansions of the old nobility, in order to form an idea of what the rulers used to extort from the poor for their own luxurious needs and not for improving the country. Then one would realize how ripe for overthrow this régime really was. These castles, so far as they have not been retained as museums, now serve as convalescent homes for workers and peasants. They are now assigned to those who were formerly the poorest and most needy. A symbol of the new order charged with the most impressive significance.

Illiteracy

The third and last factor in the Russian problem is the people and the spiritual poverty in which they have been kept. The campaign against illiteracy, the campaign for the spread of culture (understood in the sense of quantity rather than quality), is one of the most constructive efforts of the new régime. With all the deficiencies and inadequacies inseparable from any beginning, it really looks to the visitor like an immense procession of people into the schools. In Baku I was supplied with some figures relating to Aserbeidjan, which I quote here simply as an example. Under Czarism there were 35,000 scholars, including 400 girls; under the Menshevik Government of 1919–20, 55,000 scholars, including 1,500 girls; and now 175,000 scholars, including 55,000 girls. What a revolution, what a transformation in the destiny of women is revealed by these few dry figures! Large sums of money are spent upon this extension of education. Considerable amounts from the proceeds of the

State industrial enterprises and from the local municipal budgets, perhaps more than a third of the total revenues, are devoted to this educational work. And, according to the five-year plan (please conjugate in the future tense), expenditure upon social and cultural reorganization, which includes education, for the whole Union is to increase from 2·4 milliards of roubles for the year 1927–8 to 5·9 milliards for the year 1932–33. The total estimated expenditure upon these objects for the whole of the five years amounts to the colossal sum of 21·4 milliards.

Nor is it any too soon. What is wanted above all are people who can read and write, people who can reckon. The primitive counting-board with beads is used all over the country; it is even seen on every table in the central offices of the great Moscow banks. There is a shortage of instructed workers, of bookkeepers, mechanics and engineers, of persons for the lower divisions of the Civil Service. "We have at the present time", said Krischanovski, the Chairman of the State Planning Commission, at the Sixteenth Party Congress, "scarcely 800,000 skilled workers in the large undertakings; we must procure at least another 700,000, and improve the education of all of them. We have, for example, 20,000 technicians and 11,000 agronomists, but in order to put our programme into operation we shall require 54,000 technicians, 66,000 engineers, and 34,000 agronomists." And Rykov put the question in more serious form: "Shall we solve the questions of the organization of men, the questions of the organization of the scientific-technical category, of the class of skilled workers, in order to be able to utilize the gigantic possibilities of development which modern technique guarantees?" To attract foreign technicians and foreign engineers is constantly said by those in

a position to judge to be one of the main problems. I was always being asked by departmental chiefs and factory managers whether Germany could not supply considerable assistance of this kind. As an example of these shortcomings, Rykov mentioned, at the Sixteenth Party Congress, the case of artificial silk manufacture. "We have endless discussions upon the matter, but we can neither formulate adequate proposals nor make an adequate decision on the proposals. Abroad this industry is developing with extraordinary rapidity. In Russia it ought to develop with incomparably greater rapidity, and yet here we are as weak as children."

The Civil War

Such in broad outline are the foundations upon which the economic structure in Russia, whatever its character may be, has to be reared. We must not, however, forget to add that these foundations have in fact been destroyed by the war and the civil war to an extent scarcely conceivable to the Western European. Vivid accounts of this period are available in English translations. Who is able to read them unmoved? Yet, in order to feel the reality of all this, one must discuss it with Russians who have lived through the period, and then it frequently happens that they are stupefied by the scenes which their own recollection evokes. Men who spent seven years at the front, at first abroad and then at home, the ruthless storm troops of the régime who quailed at nothing, will to-day cover their eyes when the scenes of the civil war are conjured up before them by questions. They must have been appalling beyond all measure, incomparably worse than the scenes of the external war. The infernal cruelty of man's hate of man, compatriot of compatriot,

neighbour of neighbour, the bestiality on both sides induced by familiarity with murder, which must eventually have become for many an indifferent habit, a mechanical exercise of eyes and hands, and all this piled upon misery intensified to the utmost limit. Villages and industrial works converted into fortresses, defended by men and even women, pausing in the intervals of fighting to manufacture the articles of peace; and these manufactures always being claimed first of all, and often enough simply commandeered, for the fighting troops of the side which, in the changing fortunes of the civil war, was uppermost for the time being—this is what the economic system must have then looked like over a great portion of the country. Had the civil war not been confined to particular districts, affecting other districts only indirectly by disturbances in production, the destruction of the railways and the blockade, it must have finally ended in people devouring each other, as in isolated cases mothers actually did kill and eat their own children in the frenzy of famine in the Volga region in 1921.

Statistics which purport to give the economic effects of this devastation must be regarded with great scepticism. Who collected them at the time, who tested them? But however problematical they may be, the officially published figures are sufficiently impressive. They record, for example, in the case of rye, wheat, and barley (1921, when the terrible crop failure was added to everything else), a decline in the yield of these crops to one-quarter of the average of peace time, and although the decrease was not so great in the case of many other agricultural products, beetroot suffered a collapse which almost ruined the crop. Live-stock was reduced by about one-third as regards horses and pigs, less in the case of sheep and goats. Industrial

statistics in 1920 revealed a decline in the number of workers to about half of the average for peace time, but production itself declined to one-sixth of this average, and in some industries activity was almost entirely extinguished, while the railways reached the stage of complete standstill.

—Plus Bolshevism

Upon this soil, exhausted to its very roots, reconstruction had to begin from about 1921—reconstruction involving immense problems, which were aggravated by the constant increase in the population, the absolute lack of capital, and the urgent need of capital. Any economic system in Russia would have been confronted by these elementary necessities. If the Whites instead of the Reds had won the civil war, if instead of Bolshevism a political régime based on the rights of private property had been victorious, the latter, in its own way, but with equal laboriousness, would have been forced to rebuild on the same exhausted soil and to grapple with the same pressing problems.

But what brought things to this pass, to this incredible degree of exhaustion, was in fact Russia plus Bolshevism. Bolshevism was militarily victorious, even in the last episode of the civil war, the sailors' insurrection of Kronstadt in March 1921. But it suffered an actual defeat in its economic policy. In Lenin's words, it "suffered a defeat on the economic front in the spring of 1921 with the attempted transition to Communism, which was more serious than any previous military defeat. The requisitions in the villages and the direct communistic enforcement of the tasks of reconstruction in the towns prevented the expansion of productive forces, and proved to be the chief cause of

the severe economic and political crisis which confronts us in the spring of 1921." The end of the civil war, which secured to Bolshevism political power, was perforce followed by the abandonment of its first hope, of the "quickest way to Socialism", that is, the belief that an immediate transition could be made from capitalism to communistic production and distribution. The Nep, the New Economic Policy, had to come before any progress could be made.

And things really did improve. But that in itself was anything but a tribute to Bolshevist methods. The ruin was so complete that to emerge from it at all would have been an improvement. The dejection was so absolute that when men once more turned to productive labour, an increase in productivity was bound to take place. In short, the appalling degree of privation existing at the moment of the victory of the Bolshevists, which is really to be dated from 1921, and not from 1917, made it easier for the victorious party to impress itself upon the consciousness of the people. For the people saw that things were now better; they actually felt the progress that had been achieved, and during the seven years of uninterrupted war and civil war they had learnt to go without. During the whole of this long period they had been hermetically sealed from foreign countries, as in fact they still are to-day, and were therefore deprived of the opportunity of practical comparison with conditions of life outside. They have even forgotten their own standards of peace. "Things are better now—they are almost normal", are expressions I frequently heard. The people scarcely feel the penurious lives they lead, so much has use become second nature.

What they do feel, hourly, daily, and continuously is the oppression of the atmosphere. Living always in

the same room, always in the same circle of ideas, always under the same pressure and the same tension, is a wearing discipline. Real recuperation could only come from foreign travel (for which, however, the means are lacking), and even prominent Communists in need of recuperation are sent abroad, because the tension is too great at home. Thus the wastage of life among the generation that has lived through the war and the revolution, and among sufferers from heart disease and neurotics, has assumed massive proportions; the large number of suicides is a proof of this. And the trivial daily privations seem to them indeed trivial in comparison. They no longer notice the many broken window-panes, because so many new ones have been put in within recent years. They are no longer perturbed at the holes in the bedclothes or the tablecloth, which shock foreigners in the few elegant hotels and restaurants, because they cannot forget that but a few years before there were neither bedclothes nor tablecloths, nor such hotels at all. Above all, the foreigner, especially the middle-class foreigner, is for his part too prone to measure with false standards and to inspect with false glasses. He is too prone to contrast what he sees here with the standards of life observed by his own circle at home, and forgets that such comfortable sections no longer exist here. In the pride of such comparison he is apt to overlook the wretchedness and the distress of large sections of people in his own country. He sees in the streets of Russian cities the crowd of beggars and the misery of the deserted children, but he does not realize sufficiently that misery and even deserted children exist at home. And Russians tell him that things have already improved, and that there have always been crowds of beggars in Russia.

The ruling powers rely primarily upon the improve-

ment that has taken place. At first Bolshevism placed its hopes in the world revolution, which is as far off as ever. Then it hoped for aid in the form of capital and credit from abroad, and soon after the close of the civil war it would have been ready to make very big concessions to foreign capital. This aid has only been forthcoming in driblets, and thus the Bolshevists have been obliged to work out their own salvation, with the equanimity of the Russian who travels calmly by passenger train, which takes longer, when an express train is not to be had.

Which takes a longer time and is debited with the special expenses of the revolution. For if these revolutionaries have grasped one thing firmly, it is this, that revolutions are not made with rosewater, that they demand sacrifice. They led the revolution with the slogan: "Dictatorship of the Proletariat in alliance with the Peasants." Thus they gave land to the poor peasants, or rather allowed the latter to take it. They gave the workers, apart from a fundamental alteration in their political and social position (of the nature of which we shall have more to say later), a shorter working day (being the easiest expedient), and, as far as possible, at least a relatively better existence. If English real wages for 1908–09 be assumed to equal 100, they argued, real wages in Germany amounted to 63·5 per cent., in France to 55·5 per cent., and in Czarist Russia to only 44 per cent. But in the spring of 1928, according to a calculation of the International Labour Office, the corresponding figures were as follows: London 100, Berlin 71, Paris 56, and Moscow 50 to 52. Real wages in Russia had therefore increased more than in England and France (not more than in Germany). And the standard of life of the Russian workers is now higher than in various European countries, as

the corresponding figures show: for Prague 47, Vienna 46, Rome 43, Warsaw 40, and so on.

In short: a real improvement has set in since the end of the civil war, and upon this the security of the system is based. That is the official version. An improvement did indeed take place after 1921, but since the end of 1927, since Stalin has again veered to the Left, in the course of a conflict between economic betterment and the enforcement of socialism, which goes to the very roots of the system, conditions have again worsened. This is felt to be the case by the town-dwellers, and still more by the peasants. And if Bolshevism is now again in the midst of a crisis—and even more plainly in an internal crisis which has been proceeding for some time through the violent struggle of tendencies within Bolshevism—that is the cause of it.

State Capitalism and Private Enterprise

About one thing everybody is agreed: that what Bolshevism has so far achieved in the economic sphere is neither Socialism nor Communism, which do not yet exist in Russia. Everything is designed to prepare the way for the goal of Communism, and the more fertile the experience that is gained, the longer this "path to Socialism" proves to be, and the more remote the goal. "You are now", I said to an influential Communist, "in the twelfth year after the seizure of power and in the eighth year after the end of the civil war. How long do you think the dictatorship will now last?" "For ever", came the answer.

What actually exists in Russia to-day is State capitalism, with a widespread basis of private enterprise, but politically under the rule of the working class, or rather of the Communist Party. And this fact of the political rule of the proletariat, or of its leaders, must never be lost sight of in considering the economic and social conditions. For whereas in Germany and England the political alignments of pure democracy undergo an essential transformation in practice through the pressure of the non-democratic forces, in Bolshevist Russia, on the other hand, economic and social conditions are moulded and coloured by the concentration of political power within a definite social group.

The basis again is provided by the circumstances of Russia which the Bolshevists found existing when they seized power, an agrarian country with an undeveloped industry and but few towns. Of the total population of 139·7 million souls in the year 1914—the new materialism no longer reckons souls, but only

bodies—more than four-fifths, that is, 113·9 millions, lived in the village, and only 18·5 per cent., or 25·8 millions, in the town. This was the starting-point. In one way it assisted the experiment, as it diminished the perils which surrounded it. Under any economic system, the peasant in the last resort produces enough to support life, unless inclement weather destroys the fruits of his labour. Thus in an agrarian country, even if the economic system be ruined, the bulk of the population contrive to remain alive, because, whatever the extent of the general impoverishment, this life of theirs is rooted in the soil, whence it derives its sustenance. The case is quite otherwise in industry, which is dependent upon continuous production and systematic exchange, if those engaged in it are to gain a livelihood. If this extremely complicated machine gets out of order, if it ceases to function, the people are very soon face to face with starvation. This was actually the case in the first years of the revolution and the civil war. But here in the vast agrarian country there was a way of escape: flight from the town to the village. Millions of people forsook the towns, in which nothing awaited them but death. The large towns were depopulated, together with their factories. And whereas up to 1917 the urban population had increased more rapidly than the rural population, to 29 millions out of a then total of 141·7 millions, because in Russia, as everywhere else, the needs of the war had promoted the enlargement of factories, the process was reversed during the three years preceding 1920. The total population then declined by 7·4 millions to 134·3 millions, but the number of rural inhabitants even rose somewhat during this period, by half a million to 113·2 millions, and the huge decrease exclusively affected the towns, which numbered only 21·1 million inhabitants in 1920, being

7·9 millions less than in 1917, and comprising only 15·7 per cent. of the total population compared with the percentage of 20·4 at the previous date.

Great as were the losses suffered, the vast plains of this agrarian country had kept alive the bulk of the people and had sustained the régime, whose experiment during three years of civil war after four years of war would doubtless have collapsed very much sooner and more completely in the infinitely more susceptible organism of a predominantly industrial State than did Lenin's first revolutionary economic policy in 1921. But, on the other hand, the circumstances of agrarian Russia place enormous obstacles in the "path to Socialism". For how can Communism be built up in a country more than four-fifths of whose population are peasants? How can Communism be built up with 25 million peasant farms? This widely extended basis of private enterprise is the root problem of Russian Bolshevism, and constitutes a permanent obstacle in its path.

The Collapse of War-Communism

Bolshevism at first believed it could carry out the transition to Communism at one great bound. Nationalization of banks; sequestration of the private property remaining in their custody; expropriation of the bourgeoisie, including their houses, and even their silver, jewels, and works of art; all land declared to be State property; the whole of large-scale industry taken over by the State; the rationing of all articles of prime necessity; the destruction of the market by the prohibition of trade; the militarization of labour by universal obligation to work; and, finally, the abolition of money by the State, which, instead of paying its workers and

employees in cash (amounting to only 7 per cent. in 1920), aimed at supplying an ever-growing proportion of their requirements in kind (maintaining them by the distribution of rations or free meals in public eating-houses; housing to include fuel, gas, water, and electricity; use of the railway and the trams; clothing and domestic articles to be supplied from the public stores; schools, newspapers, and the theatre); likewise supplying the peasants with the industrial products they needed in exchange for the foodstuffs they were bound to deliver—such, in broad outline, were to be the features of this transition to Communism. As part of this policy, the inflation of the currency was a deliberate political expedient. Whereas in Germany it connoted the expropriation of rentiers and the middle class, and a stiff tax upon all working-class incomes, although certain classes of large capitalists and landlords soon discovered how to evade its consequences, the Bolshevist régime regarded inflation as a transitional expedient for the taxation and expropriation of the bourgeoisie and of the large and medium landowners in the first place, until the point was reached when the utter depreciation of the currency (which, to be sure, never reached in Russia the fantastic level to which it fell in Germany) would coincide with the anticipated demonstration of the superfluity of money generally, which was so promptly proved a delusion.

This first period is now known in Russia as "war-communism", and this word is written in inverted commas after the example of Lenin, who in the spring of 1921, when it had to be abandoned, could scarcely find words with which to ridicule it. It was only dire necessity, war and wholesale destruction, that had imposed "this war-time communism" upon the Bolshevists. It had consisted in the fact that all the surplus

and sometimes a portion of the necessary foodstuffs were taken from the peasants in order to supply the needs of the army and the workers, and it had now to be supplanted by a regular socialistic exchange of products. This military communism was a provisional measure, because, in their then desperate plight, the Bolshevists could shrink from no measures, however extreme. Half-starved, and worse than half-starved, they had to hold their ground at all costs and keep alive the power of the workers and peasants.

Such is the official version of war-communism which is put forward to-day. But it is an explanation devised in the light of subsequent events. In reality this first phase was not an act of despair, but a hope which indeed ended in a terrible disappointment. The peasants restricted production more and more, even beyond the measure caused by the destructions and the bad harvests. The compulsory delivery of supplies was always on the point of breaking down completely, and rationing ceased because there was nothing to ration. According to Krischanovski, the President of the State Planning Commission, who would probably err on the safe side, in 1918–19 the bread requirements of the civil population entitled to be supplied were satisfied to the extent of only 40 per cent., and in the following year the potato needs of the urban population were satisfied as to only 20 to 25 per cent. Industrial articles were in similar case. In the year 1919–20 the requirements of the army swallowed up 40 per cent. of all cotton materials, between 70 and 100 per cent. of clothes were used for army requirements, 90 per cent. of boots and shoes, 60 per cent. of sugar, and 100 per cent. of tobacco. "Under such circumstances", wrote the Communist author, "hoarding and smuggling were inevitable. In the spring of 1921 this phase of

Communism had in fact completely collapsed, and there were no alternatives but either to abandon it or to abandon rulership."

Thus began, tentatively at first, but afterwards carried out with increasing consistency, the second period, the period of the New Economic Policy. The chains of the economic system were loosened. A larger degree of freedom was granted to small-scale production. Compulsory deliveries of foodstuffs was replaced first by a tax in kind, and then by money taxes, as in the old era of Czarism and of capitalism. Trade also was permitted some measure of freedom. And eye-witnesses have described how the economic system then gradually revived, how the wooden chests disappeared from the shop-windows and the shops filled with commodities, how the hoarded provisions came to light, and how even a new rich class ventured to parade a certain elegance.

Their joy did not last overlong. Bolshevism held the political power and occupied the strategic positions in the economic system. And just as the French gardener evenly trims the hedges with the garden shears, so, from these two vantage-points, Bolshevism proceeded to cut down (and is still cutting down) the growths which, in its opinion, sprout too luxuriantly. Private enterprise was permitted within certain limits, but the "speculator" always had one foot in prison or in Siberia, when he was not simply suppressed by ruthlessly arbitrary taxation. Co-operative trade, which was intended to supplant free trade to an ever-increasing degree, was fostered in every way, and the co-operative shops or the shops of the huge municipal retail enterprises are again rapidly supplanting the private shops. The streets again assumed a proletarian aspect, similar to that of the first period. I was told that in a medium-

sized town alone 1,500 private undertakings (shops and stores) disappeared in the course of last year; small private manufacturing concerns of recent establishment and doing useful work were simply shut down or confiscated, and the owners might consider themselves lucky if they were not imprisoned, but allowed to work as employees in the nationalized concerns. This new, deliberately revolutionary twist given to economic policy dates from 1927, and it extends to much more than the mere clipping of hedges.

Foreign Trade Monopoly

The Bolshevist State occupies the key positions. First of all, it possesses a monopoly of foreign trade which is unassailable. Smuggling tempers this rigidity slightly on the frontiers, where traces of it are found in a somewhat ampler supply of goods and a heavier depreciation of money, but this does not affect the general situation. On the whole, imports as well as exports pass through the central depots. These depots determine what and how much of foreign products are to be thrown on the home market; they prohibit as they think fit the import of specific articles, the manufacture of which it is desired to encourage at home, or they strangle exportation generally, if the state of the exchange renders this desirable. Conversely, these same central depots determine what products of home production are to be diverted from home consumption and sent abroad to pay for these imports. This is not settled by the market, but by official resolution, which exercises sovereign sway over the volume of exports and export prices. The Trading Commissariat, the State foreign trade undertakings, and the Russian

commercial representations abroad constitute the apparatus which operates in this sphere. These operations are governed by internal political and economic considerations, but also, when occasion demands, by considerations of foreign policy. It stands to reason that a State monopoly which controls imports and exports may show compliance, or the reverse, according to the varying temperatures of relations with various countries.

The Isolation of the Currency

This monopoly of foreign trade is supplemented, however, by an absolute isolation of the Russian currency, in which political considerations play a part. Ever conscious of the threat of a hostile capitalist environment, the Bolshevist State desires to be protected from the danger of a foreign Power, or even its own emigration, resorting to manipulation of the currency, in order to create for it embarrassments which might be inconvenient, costly, and even dangerous, against which, owing to its isolation, it could only defend itself by inadequate counter-measures. So the import as well as the export of rouble notes is strictly prohibited. There is no official foreign stock-exchange quotation of the rouble, any more than there is a serious Russian quotation of foreign currencies. And whereas limited supplies of rouble notes coming from illegal sources and unofficially circulated are quoted abroad at low valuations, because such valuations must of necessity take into account the difficulties connected with handling roubles which must not be imported into Russia, the foreign trade monopoly adheres to the fiction of the peace-time parity of the rouble, that is, one rouble = about two shillings, for

its internal calculations of imports and exports. If foreign trade should again assume large dimensions, in contrast to its present exiguity, this will one day make a new currency reform in Russia necessary, because this calculation takes no account of the actual variation in the purchasing power. The official index calculation, in point of fact, gives the lie to this fiction of parity (Russia about 200, as against 140 for the rest of the world), and the actual price relationship is considerably more unfavourable than this index calculation would indicate. The real internal value of the rouble is therefore less. But at the moment there is no rectification or clarification of this relationship by the money market. The chief significance of the isolated currency consists in the fact that it completes the isolation engendered by the foreign trade monopoly. The Bolshevist economic system is a closed State, only to be supplemented from the outside world within the very modest limits prescribed by the authorities.

Control of Credit

The Bolshevist State is further—and this is the second post of high command—the exclusive controller of credit. However manifold the forms of the banking system have gradually become in Russia, separate for long-term and short-term credit, for agrarian and industrial credits, variously organized in purely State institutions, in mixed joint-stock companies (of which the State holds at least 51 per cent. of the shares), in municipal savings banks and in co-operative societies, they are all subject to unified central control and respond to a uniformly directed policy. This policy decides which branches of economy are to receive more plentiful or less plentiful supplies of the available

capital and from which branches it is to be withheld altogether. It decides the rival claims of agriculture and industry, and differentiates between industry devoted to the manufacture of means of production and industry concerned with making articles for immediate consumption. It settles which forms of economy are to be fertilized with credit and which forms are to pine for the lack of it. Moreover, control of the credit institutions determines to a very large extent what we call the accumulation of capital. The State Budget (meaning by the State the whole of the public authorities, that is Union, Province, District, and Municipality put together) in the Bolshevist State is to a far greater extent than in capitalist countries a part of the centrally directed economic system, with which it is vitally connected by various mutual relationships. The State imposes taxes and duties in money just as capitalist States do: direct taxes (according to the estimate for 1928–29 amounting altogether to 1,700 million roubles, comprising 400 millions from agricultural taxes, 1,005 millions from industrial taxes, and 272 millions from income tax), indirect taxes (1,990 millions, comprising 1,735 millions excise duties and 255 millions customs duties), and various stamp duties. According to the estimate for 1928–29, these taxes amount to 3,829 million roubles. The Budget also includes surpluses from the post and telegraph, radio and telephone services, from the transport services, from the State undertakings and State property. Altogether the money flowing into the State coffers, including 800 millions from credit operations, amounted to 7,732 million roubles, according to the estimate for 1928–29. But this sum is raised by the Bolshevist State not only for its direct administrative needs, but also for the comprehensive financing

of the economic system. By its fiscal policy it withholds from the population means of consumption, in order, by compulsory accumulation, to employ them for the purpose of capitalization, and here again it is the State which decides the purposes of their employment. The State goes further, for it issues various loans, the proceeds of which are devoted to the extension of industry, to electrification, to agriculture, etc.; it receives the money and distributes it. These loans are, of course, another means of diverting private purchasing power into public investment, and the individual has little or no choice in the matter. That they are commended to the public by means of a raging and tearing propaganda, as used to be the case with us for the war loans, is not surprising, as this is the general rule in Russia. But that method soon proved insufficient, even when it was sought to adapt the loans to the requirements of the various sections of the population by issuing various kinds of stock and by the growing tendency to issue premium bonds. These loan issues have therefore gradually assumed the character of forced loans, although, as might be expected, this is officially disputed. Specific amounts of the loan are allocated to the villages for subscription, and it is not advisable to fall short of the prescribed sums. Above all, the loans are collectively subscribed in the towns through the works meetings or the trade unions. They are allowed to decide (voluntarily!) that each member of the staff, worker, or employee should subscribe a month's income, the amount of which is then deducted from his wages or salary over a period of eight or ten months, as may be advisable. No person can secure exemption from such a resolution. There still remains, however, the possibility of selling or of pledging, with the result that an increasing proportion of the loans

subscribed reverts to the subscribers, and every fresh loan yields less new money. We ourselves were familiar with this vicious circle in connection with the war loans. And this process has now been worked out to its last refinement. The collectively subscribed amounts of the loan are allowed to be collectively administered in the works, in connection with which funds are set aside, from which small advances at a low rate of interest are granted to members of the staff, in case of need. At the same time, strong moral pressure is exerted to prevent redemption of the loan ("the State builds factories with your money which last for years, and therefore needs your money for years and not merely for months").

Control of Industry

The third post of high command is the control by the State of the most important branches of industry. Large-scale industry is almost entirely in its hands. There is still a considerable number of small private concerns: petty manufactures and handicrafts, in addition to extensive domestic labour, especially in the village. But over these, too, the Bolshevist State exercises a controlling influence by means of its direct administration of the industries concerned with raw materials, as it can supply or withhold the raw materials, according to whether it desires to foster or to impede specific finishing processes or specific economic forms (again, means of production *versus* articles of consumption, co-operative societies for manufacture and trade *versus* private trade and integral manufactures or handicrafts). And the same applies to the control of power, of the electricity stations, and of the means of transport. The Bolshevist State is the predominating

producer in industry, if not in agriculture, and it enjoys in industry all the powers which are conferred by its monopolistic position. This State production is centralized to the most extreme degree. In the Supreme Economic Council (W.S.N.Ch.) the entire administration of State industry converges. It directs, controls, decides. But for the organization of the individual industries which are subordinate to it the model has been provided by the private capitalistic trusts, from which the Bolshevist State has learnt much. It has, for its part, co-ordinated the various branches of industry into powerful trusts, to the direction of which the separate concerns are again subject. And for the marketing of its industrial products, it has similarly followed the example of private capitalism. For this purpose it has created centralized, monopolistic organizations. Great selling syndicates dispose of the output of the State trusts to the industries engaged in finishing processes, or, in the case of manufactured articles, to the State trading undertakings for internal commerce or for export or to the consumers' associations. And this again supplied the model for the centralization of trade generally. Here too the control of the State is not absolute. Despite all restrictions, a certain volume of private trade still exists, and it becomes more perceptible as one leaves the metropolis for the countryside. The small pedlar with his pack on his back, the small dealer who brings wares in his cart and exchanges them for agricultural by-products, still continue to play a part. As regards the main products, the State co-operative organization is effective both for buying and selling. And as neither the agricultural selling co-operative societies nor the urban consumers' associations are free, but represent nothing less than a part of the collective apparatus, there emerges from this the

fourth position of high command of the Bolshevist State, the control of prices, which is only tempered by private trade, smuggling, and similar defects of the system.

Control of Prices

This control is unrestricted as regards the articles manufactured by State industry. Within the limits of its financial and its political possibilities, the State can dispose of them at a profit or at a loss, as it thinks fit, and it proceeds in this way both at home and abroad. In exporting it incurs dumping losses, when it is obliged to do so. It can, for example, supply agriculture with its means of production below cost price, in order to encourage its mechanization, and in return sell articles of consumption at such high prices as to constitute supplementary indirect taxation. But the State control of prices is not limited to this. It is supplemented by officially regulated prices for the most important mass products of agriculture, such as wheat, cotton, wool, etc. And it is further supplemented by a very strong influence upon retail prices, at least so far as they are determined by the socialized sector, that is by the consumers' associations. Finally, wages are in the same category. For the trade unions, of which we shall subsequently speak in detail, are likewise a part, and an immensely important part of this complicated State-socialized machinery of control.

The Goal

Such in broad outline is the nature of the key positions of economic and social power in the Bolshevist State. But above them all, it must ever be emphasized, there

stands the political rule of the dictatorship as the decisive factor. The dictatorship determines the goal of economic development, and at the present time this goal consists in urging forward industrialization at all costs, coupled with a simultaneous intensive campaign for the collectivization of agriculture.

Why industrialization? That it would come gradually under any economic system in this immense country, with its enormous natural resources and its enormous possibilities for the development of a great internal market, goes without saying. There were considerable indications which pointed in this direction before the war and the revolution, and it is clear that, in any case, they would have continued. But the first and foremost factor under another economic system in Russia would have certainly been the development of agriculture. It was so obvious in this vast country, with the immense spaces still to be opened up, which could absorb the regular increase of population. This would also require a large capital outlay, but not so much. It would also present economic difficulties, if means of transport had to be established for the marketing of surplus agricultural produce, and if the home market composed of a relatively small urban population should be incapable of absorbing this surplus. Nevertheless, an improvement and extension of Russian agriculture, as the basis upon which a superstructure of industrialization would be erected, seemed to the ordinary observer in Central Europe the natural and organic course of development. Russia as the peasant democracy of the future is a phrase that has frequently been used. Eminent Communists belonging to the uppermost tendency laugh scornfully when one discusses the problem with them on these lines, and on inquiring the reason, they reply: "Because of Communism. We

did not make the revolution in order to facilitate the exchange of commodities between the Russian village and the outside world." For the improvement of agriculture, implements and manures are requisite; but industrialization comes first, and economic and political considerations are sometimes inseparably combined. Economic independence of the foreigner is one of the slogans. "We cannot be merely a colony of the foreigner." This indeed sounds more like Friedrich List than Karl Marx, in fact, like a grotesquely exaggerated Friedrich List, as he certainly did not intend the transition from an agrarian to an industrial State to be effected by so great an exercise of State initiative, coupled with so supreme a neglect of all questions of remunerativeness and competitive capacity. But in reality, behind this economic foundation that is so uneconomical is hidden the political foundation. The striving after greater independence of the foreigner is intended to assure greater political and military security, as the Bolshevist State always feels itself threatened by the possibility of an attack from without. It desires to be prepared against such an eventuality by industrial workshops, which, in case of need, could supply the army with its requirements. It is this fear that inspires the policy of industrialization. And even where it is not seriously believed, it is readily utilized as a means of propaganda.

But a third foundation is perfectly serious. The dictatorship of the proletariat has been established in a country where the industrial proletariat itself comprises a small fraction only of the total population, where the rural population is as five to one.

However elaborately organized, this dictatorship of the proletariat must sooner or later collapse, if the development should continue in the direction indicated

at the outset, if the numerical preponderance of the peasant population should gather increasing momentum in the future. In order to provide additional security for the dictatorship of the proletariat, a more numerous industrial proletariat is needed; hence the urgency of industrialization. In point of fact, the struggle of tendencies within Bolshevism does not turn upon industrialization as a principle, but only upon its dimensions and its pace. The Left opposition under Trotsky considered the pace much too slow. It wanted the peasant to be ruthlessly bent under the harrow again, as in the first phase of war-communism, and was quite oblivious to the political consideration that, under any circumstances, the peasant would form the bulk of the population in Russia for a long time to come. In its view, the sole hope of the régime lay in the exercise of ruthless energy of this kind. The Left opposition is now practically suppressed. Trotsky is in exile, and in the lower ranks of the Party he is proscribed as an enemy of the country, as an opponent of the Soviet State. One after another of those who sided with him are saying their *pater peccavi*, one after another, in long, humiliating petitions, are acknowledging the error of their ways, swearing their allegiance, and pleading to be received again into the one true church of Stalin. The Right opposition within Bolshevism is of a much more serious character. It fears that the régime is overstraining the bow, and is doubtful whether the peasant or the worker, or both, will in the long run bear the privations imposed upon them. It is impressed by the now frequent murders of peasant correspondents and other Soviet supporters in the country and predicts a dangerous increase of these murders. It points to the serious indiscipline among sections of the industrial working class which

it sees to be another symptom. Why the hurry? asks this Right opposition; why not cautiously spread over ten or fifteen years that which the uppermost tendency seeks to achieve in five years? This Right opposition is widespread. But it has not penetrated the decisive congresses of the Party and the machine, whose discussions proceeded continuously in the early summer of 1929. It is stifled. Its most important men are drafted to neutral posts. Stalin has triumphed. And the result is the five-year plan, so confirmed by all authorities that of the two variants submitted for selection, the more cautious and modest was rejected and the more daring was adopted, that is, the plan making for the quicker pace and involving the greater exertion of energy.

Economic Directivity

The Bolshevist régime, through the commanding positions which it occupies in the economic system, has embarked upon the experiment which is to crown its work of economic reorganization. Upon the whole economic system is imposed a plan which predetermines what is to be. It resembles a budget, which instead of being confined, as elsewhere, to the State finances, to its revenue and expenditure, provides for the whole of economic life in all its manifestations. This budget decrees what is to be produced, how much and for what purposes, and how this production is to be disposed of, whether for consumption by the population, on the one hand, or for the enlargement of productive plant on the other. The budget decrees what prices are to be fixed for the products and where they are to be marketed. It decrees what is to become of the children as they grow up and what they are to consume. The plan is like Providence, omnipotent (at least, in intention) and all-wise (at least, in desire), but certainly not all-loving, for its aims are the comprehensive political aims of the régime, and these comprehensive political aims are visible in the plan, just as hard, just as ruthless, just as consistent and resolute as the political control is generally.

This comprehensive attempt at budgeting would be a gigantic experiment if the whole of the economy were actually nationalized and socialized. It is the more hazardous at the present stage, when this goal is still a long way off, when the most important part of Russian economy, namely agriculture, is still almost wholly carried on under forms of private enterprise,

and when broad patches of industrial production and of trade are in a similar position. The State Planning Commission, the supreme organ of systematic economic organization in the Soviet Union, has defined the scope and objects of this economic directivity in the following terms (quoted by A. Jugov in his book *Economic Trends in Soviet Russia*, George Allen & Unwin Ltd., 1930):—

"Inasmuch as we are realizing a purposive economy, we endeavour first of all to elaborate the national economy in such a way that, thanks to the co-ordination of the various parts and with the aid of scientific methods of production and distribution, with due adaptation to the objective material resources and to the amount of available labour-power, it will be possible to combine the maximum of production with the minimum of expenditure in the shortest conceivable time. Secondly, the entire State system is so constructed that the frictionless course of the whole mechanism without crises and catastrophes will be ensured, while the whole working collectivity participates consciously in the aggregate social production and takes into account the ways by which and the extent to which dead nature can be subjected to its needs."

This is the theory of it. In practice it works out more simply. You may read, for example, in a lecture by Professor Varga, one of the best economists of the régime, the cool statement: "The Soviet Government cannot, of course, decree how much and what the 25 million peasant farms, hand-workers, and domestic workers must produce, sell and buy." What then can it do? "Suppose", answers this Communist, "we should require a larger cotton crop. In such case we would raise cotton prices, and at the same time supply the cotton district with cheap corn, so

that the peasant finds more advantage in growing cotton for the State than raising corn for himself. Price-fixing is an instrument, like any other Government measure designed to have a material influence on the position of the peasantry. The peasantry can only be managed if we so contrive things that the object we have in view appears most advantageous to peasants who are guided by individual incentive." Now this is very much what capitalism says too. For it is this very instrument of price which, continuously re-forming itself for goods and services, for money and currencies, in a free market, acts as the regulator of the system of private enterprise, like an extremely sensitive instrument of precision, and brings about an adjustment. Where it rises in one place, it restricts consumption and stimulates production, and, conversely, where it falls in another place, it increases consumption and diminishes production. It should not be forgotten in this connection that the reign of price, even in the system of private enterprise, is not exactly a mild and beneficent rule, but that it governs mankind with cold, inexorable harshness, as the unemployment and bankruptcy statistics sufficiently show. At any rate price is the determining factor in Russia as elsewhere. The idea of dispensing with it is an illusion which Bolshevism has given up. But the Bolshevist system, with its quasi omnipotence, wields another instrument of manipulation besides prices. As already indicated, by means of taxes and loans it can restrict or expand private purchasing power; it can divert credit, and, finally, owing to the practical closing of the frontiers by the foreign trade monopoly and the currency isolation, it can remain unperturbed if equilibrium fails to be effected in the sphere of consumption. If purchasers are unable to spend their

money as they like, they can buy something else or hoard the paper notes, or bring them to the savings bank. So long as the discontent thereby aroused does not become politically dangerous, it can be ignored. Moreover, the plan does not enter into minute details. It does not profess to foresee how often a housewife will break a saucepan or a window-pane. The far simpler financial budget of capitalist States is calculated with considerable caution and allows for numerous deviations. The immense economic budget of the Bolshevist system is all the more susceptible to modification. Thus the plan is constantly being revised, constantly checked, and from time to time adapted to the necessities of the moment. It is devised for five years. But every year after the harvest the plan will be rearranged for the subsequent year, which starts on October 1st, as far as possible in continuation of the original plan, but modified in accordance with necessities. Every month the actual results will be compared with the plan figures for the current year (the so-called statistical checks), and where discrepancies are revealed, the causes will be investigated and endeavours made to adjust the matter or to compensate by corresponding changes in other places.

Intentions and Realities

Most instructive materials for comparing the plan with realities are furnished by the information for the year 1927–28. In industry the volume of production equalled, and even exceeded, the figures prescribed by the plan, as was also the case in the two preceding years, and, as far as can be seen, in the current year 1928–29. Only small industry (private enterprise) remained below the estimate. It was supposed to yield

108·5 per cent. of its pre-war production, and reached only 97·7 per cent. But the census industry—that is, all undertakings employing more than thirty workers without and more than fifteen workers with motor power—increased its gross production to 121·6 per cent. of the level of 1926–27, whereas the plan had only required an increase to 114·3 per cent., and the figures in detail showed a similar relationship. The other objectives of the plan relating to industry were also more than realized. The number of workers in the heavy industry, for example, rose in sympathy with the greater output to 114 per cent., instead of 112·9 per cent., and the average monthly wages to 110·3 per cent., instead of 106, in spite of which working costs were reduced to 95 per cent., although the plan had only prescribed a reduction to 94 per cent.

The results in agriculture were quite different. The bad harvest, combined with the short deliveries of supplies during 1927–28, upset the whole plan in this sphere. The total gross production of agriculture, which in comparison with the year 1926–27 was to have risen to 104 per cent., dropped to 98·9 per cent., the corn harvest yielding 93 per cent., instead of the anticipated 97·5 per cent. As a result, corn prices, which the plan did not intend to change, had to be raised to encourage the peasant to sell. Nevertheless, the corn available in the market, being the balance left over after providing for agriculture's own consumption and allowing for a certain amount of secret hoarding by the peasants, was below the plan estimate to an even greater degree than was the harvest. The control figures had contemplated an increase in market supplies of corn to 108·1 per cent., compared with the previous year, but the percentage turned out to be 58·9 per cent. Even in the case of the so-called

technical crops the result was below the estimate. Only in the case of livestock (which was slaughtered owing to scarcity of fodder or money) was the result slightly in excess of the estimate.

One of the consequences of this was a serious displacement in the export trade, agricultural products only accounting for 48 per cent. of exports, as against 61·2 per cent. in the previous year, the proportion of corn exports to total exports even falling from 30·4 to 7·5 per cent. This serious falling away had of necessity to be provided for in the following years, and until 1931, at any rate, the plans no longer contemplate an export of corn. This fact is strikingly reflected in the Leningrad harbour, whose wide quays designed for the shipment of corn are now utilized for the shipment of timber. In the year 1927–28 this adjustment could not be made in time to cover the corn deficit, and consequently the internal adjustment had to be effected by means of an expansion of credit. Whilst deposits rose only to 109 per cent., well below the prescribed 117·6 per cent., advances increased to 119·8 per cent. instead of 114·3 per cent., and short-term discounts to 119·9 instead of 112·5 per cent.

This plan is nothing more than a continuous series of actions and reactions from above to below and from below to above. Upon the data supplied by the separate branches of economy and of the State the Planning Commission frames its estimates, endeavours to bring them into harmony, and out of this process the entire plan emerges. And when it is revised, turned inside out, and finally settled by the deciding authorities of the Party and the State machine, instructions are issued to the subordinate organs, to which their practical labours have to conform. For in the last resort the plan is nothing more than the expression of

an intention. It resembles a fighting squadron hurling its flag into the ranks of the enemy, and then charging in order to recover it. The enormous statistical tables of these five volumes of the plan are transmuted into a continuous campaign of encouragement: here is the goal, we must reach it, exceed it. The statistical curves which prescribe the total output of a branch of economy at a particular time are copied by every single undertaking, every single concern, according to the indications which are supplied to it. In every office one encounters these coloured graphs for the development of production, of prime costs, of deliveries, etc., on which, week by week and month by month, the results actually obtained are recorded in a second line, so that the whole concern is always kept up to date, and continually checks what it has done or omitted. Millions upon millions of people in this country, of which a large part of the population could neither read nor write a few years ago, and of which a considerable portion cannot yet do so, have suddenly become zealous statisticians. And the children are learning this art even in school. They too prepare tables, draw curves, and build statistical cubes and columns. Nothing has been discussed in this country for months so tirelessly and so continuously as the Five-Year Plan, the *Pjatiletka*. This programme has been called "the second programme of the Communist Party", which is in fact the best definition of these thousands of tables and diagrams.

Investments of 78·4 Milliard Roubles

What has actually been accomplished, and what was intended to be accomplished? In broad outline this is the position.

Up to about the end of the year 1926 the economic system of the Soviet Union, so far as its most vital parts were concerned, was in the stage of reconstruction. To put the existing productive plants again in order, to utilize again to the utmost the existing means of production, had been the main, if not the sole, object of all economic activity. Up to and including 1925–26, the total production, with an increased population, remained below the pre-war level, being 96·5 per cent. of the 1913 standard. Agriculture had shown a small increase, being 101·3 per cent., but industry had revealed a larger decrease, being 89·9 per cent. In the following years, for the first time the official Soviet estimate of total production showed moderate increases as compared with the peace-time level (105·4 per cent. for 1926–27, 111·5 per cent. for 1927–28). But even for the last-named year important branches of industrial production still remained below the peace-time level, particularly—owing to the devastations of the civil war—in the iron industry (66·5 per cent.), engineering (85·2 per cent.), the sugar industry (69 per cent.), and even in the cotton industry (94·5 per cent.), whereas only in the case of coal and naphtha (128·4 per cent. and 110·6 per cent.) were considerable increases to be recorded. At all events, after its fearful collapse, the Russian economic system is now gradually emerging from the period of reconstruction into the new period of enlargement. This signifies new problems, as it is obvious that the expansion of production (in the first place the expansion of industrial production) can no longer come from the more intensive utilization of the existing productive plants to the same extent as in the first period, but that it necessitates extensive new productive plants, involving a correspondingly large

capital outlay. This is realized, and enlargement is resolved. And to push forward this enlargement with the utmost energy is the object of the *Pjatiletka*. One figure will best illustrate what is meant. The amount which is to be invested in the basic capital of the economic system in the five years from 1928–29 to 1932–33 is estimated at 64·6 milliard roubles, to which must be added a further 13·8 milliard roubles, which is to be invested in the circulating medium. Of this, however, 4·2 milliards destined for the improvement of agriculture is not entered as a capital investment in the official balance sheet, because the (nationalized) soil does not figure as capital at all in these calculations. Thus the official estimate of capital expenditure during these five years amounts to 74·2 milliard roubles, calculated at the prices of the equivalent year; but if calculated at the 1926–27 prices, the resultant total would be 92·7 milliard roubles. This enormous sum is to be squeezed out of the toil of the poor people during the short period of five years, in order to replace worn-out capital in the form of houses and factories, electricity works and railways, land reclaimed for the plough and additional livestock; but by far the greater portion will go to add new increments to the national property. During the war Walther Rathenau invented a maxim for Germany's "New Society", to which we have never taken kindly: "the individual to be poor and the community to be rich". It is the intention of the ruling powers in Russia to apply this principle with a thoroughness that will leave nothing to be desired. As a result the total landed property will be increased from 70 milliards in 1927–28 by 57 milliards, or 82 per cent., to 127 milliards in the year 1932–33; the circulating capital from 15 milliards to 34·5 milliards, and thus the total capital will be

increased from 85 milliards by 76·5 milliards, or 90 per cent., to 161·5 milliards. These figures indicate that what is contemplated is almost a doubling of the amount of capital property in the short period of five years. The total capital outlay of 78·4 milliard roubles is to start in the year 1928–29, with 10·2 milliards, rising in the following years by 13·1, 16·1, and 18·4 milliards, and reaching its maximum with 20·7 milliards in the year 1932–33. A continuously increasing part of the national income, altogether 86 milliard roubles, will thus be brought within the financial plan: 38 per cent. in the year 1927–28, and then 42, 43, 45, 46, and 48 per cent. (almost half) for the five years ending 1932–33. And a continuously increasing portion of the national income is to be diverted by the central organ of control into the economic system, viz.: 22, 25, 27, 28, and 30 per cent. of the national income for the equivalent years, whilst the balance (in the last year 18 per cent. of the national income against 16 per cent. in 1927–28) will be used for social and educational purposes, as well as for administration and defence. For the preceding five years between 1922–23 and 1927–28, the total anount of expenditure upon the fixed capital of the economic system is officially calculated at 26·5 milliards. The capital expenditure contemplated during the next five years under the plan is therefore nearly two and a half times as much, viz., 64·6 milliards.

The manner in which this total sum is to be allocated to the various branches of economy is very typical of the objects of the plan and the policy which inspires it. Even now agriculture occupies the first place, as the preponderating part of the economic system, from which it cannot yet be ejected. In this sphere the outlay upon basic capital (which here, of

course, consists to a very large extent of private investments, as the peasants are expected to renew their houses and implements and to increase their livestock) amounts to 23·2 milliard roubles. Yet the figure for the preceding five years is stated to be 15 milliards, and thus the increase under this head falls far short of the total increase. There is a reason for this. A capital expenditure upon electrification amounting to 3·1 milliard roubles is contemplated for the present five years, as against 900 millions for the preceding. For the transport system the corresponding figures are 10 and 2·7 milliards, and for industry 16·4 against 4·4 milliard roubles. This increase is therefore approximately fourfold in the case of all these non-agrarian objects of capital expenditure.

Increased Production and Price Reductions

The object of this immense capital accumulation is twofold: increased production and reduced prices. The latter is intended to take effect in the manner shown in the table opposite.

The specific objects which it is sought to achieve are 110 per cent. increase in the productivity of labour in industry, a reduction of 35 per cent. in the prime costs of industrial products, a fall of 50 per cent. in building costs, an increase of 25 per cent. in the yield of every acre of land, a decrease of 25 per cent. in the costs of railway transport, a decline of 30 per cent. in the proportionate fuel consumption in industry, and of 13 per cent. for the transport system. It is obvious that these figures must be accepted with greater caution than all the others. Nothing is more uncertain than a price-index in this country with its wide local price variations, and with the substantial distinction between official prices and the prices

	1927–28	1928–29	1932–33	Thus 1932–33 in Percentages of 1927–28
1926–27 = 1,000				
1. Manufacturing price. General Industry Index of State Industries...	961	937	731	76·0
including				
Means of production	966	917	677	70·1
Articles of consumption	957	954	782	81·7
Agricultural production	1,047	1,105	991	94·6
including corn	1,071	1,247	1,122	104·8
1913 = 1,000				
2. Wholesale index...	1,782	1,802	1,469	82·4
Industrial	1,877	1,856	1,445	77·0
Agricultural	1,565	1,660	1,502	96·0
3. Retail index	2,070	2,070	1,610	78·0
Industrial	2,050	2,050	1,580	77·1
Agricultural	2,090	2,090	1,660	79·4

actually paid for articles. The ambiguous starting-point of the calculation, which at one time makes the comparison with the year 1926–27, and at another time with the year 1913, increases the difficulty. Be that as it may, these calculations clearly reveal the desired trend of development: the greatest possible reduction in prime costs in industry; and here again stress is laid on the industries concerned with means of production; encouragement of agriculture with the object of neutralizing the effect of the price-shears; a great fall in the general level of prices, and thus an increase in the real purchasing power of money.

The contemplated increase in production is shown in the table opposite.

Here too the purpose is clearly shown. The total increase which is hoped for is extraordinary. It is to amount to 50 per cent. during the five years for agriculture. But the increase in industrial production which is hoped for is very much greater. And here again the increase in the output of the machine-making industries overshadows everything else. It is the main purpose to which everything is subordinated. A few more examples may be given by way of illustration. The coal output is to be increased from 35·4 million tons in 1927–28 to 75 million tons in 1932–33; the naphtha output from 11·6 to 22 million tons during the same period; the peat production, which had already increased from 1·6 to 6·9 million tons between 1913 and 1927, is to be further increased to 16 million tons; the cast-iron production (1913 = 4·2) during the same period from 3·3 to 10 million tons; the production of chemical manure, which was only 175,000 tons in 1927–28, is to exceed 8 millions in the year 1932–3. The generation of electrical power, supplying about 2 milliard kilowatts in 1913 and

(*In Milliards of Roubles*)

	1927–28	1928–29	1932–33	1932–33 in Percentage of 1927–28
At the prices of 1926–27				
Total production of industry	18·3	21·2	43·2	235·9
Of planned industry	10·9	13·2	30·4	279·1
Total production of agriculture	16·6	17·4	25·8	154·9
Tillage and cattle	14·5	15·0	22·6	155·8
At the prices of the corresponding years				
Total production of industry	18·0	20·4	32·7	182
A. 1. Planned industry	10·4	12·4	22·0	211
2. Small industry	4·5	4·7	5·6	126
B. 1. Means of production industry	5·8	6·7	12·4	214
2. Goods for consumption	12·2	13·7	20·3	167
Total production of agriculture	17·4	18·7	26·1	150
For the market	6·8	7·5	11·9	175

about 5 milliard kilowatts in 1927–28, is to supply 22 milliard kilowatts in 1932–33. Finally, the mechanical power equipment per head of the industrial worker is to be increased from 1·4 horse-power for 1926–27 to 2·7 horse-power for 1932–3.

And as a consequence of all this the national income, calculated in pre-war roubles, is to be doubled: from 15 to 30 milliards against 13 milliards in 1913, in the period 1927–28 to 1932–3; and calculated according to the prices of the equivalent years, it is to rise from 24·7 to 43·3 milliard roubles. During this period the real wages of the industrial workers, assuming 100 to represent the peace-time level, are to be increased from 122·6 to 208·9 per cent., that is, to more than double the pre-war wages.

Socialization

These economic aims, however, form only part of the plan, the other parts of which are related to social objectives. And in this sphere the programme contemplates a determined onslaught on the private sector for the benefit of the socialized, the nationalized, or the co-operative sector.

Still an Agrarian Nation!

The changes contemplated in the table opposite are of a gigantic character, but even if these forcible operations are actually carried out, they will make comparatively little difference to the fundamental facts of Russia, that is, the immense preponderance of its agricultural population. The increase in population is estimated at 17·9 millions for the five years; the number is to rise from 151·3 to 169·2 millions. What is to happen to them according to the plan? The town is to absorb a third of the increment, the country about two-thirds

	Socialized Sector						Private Sector	
	State		Co-operative		Total			
	1927–28	1932–33	1927–28	1932–33	1927–28	1932–33	1927–28	1932–33
Number of persons employed ...	15·1	16·3	3·2	14·4	18·3	30·7	81·0	69·3
Number of wage-earners	70·1	70·7	9·5	13·2	79·6	83·9	20·4	16·1
In industry	85·7	86·6	5·7	7·4	91·4	94·0	8·6	6·0
In agriculture	28·1	33·7	4·6	8·2	32·7	41·9	67·2	58·1
Capital invested	53·9	74·1	3·8	9·3	57·7	83·7	42·3	16·3
In industry	94·4	96·2	1·8	2·5	96·2	98·7	3·8	1·3
In agriculture	2·6	7·0	5·2	24·4	7·8	31·4	92·2	68·6
Fund A: Basic Fund	51·0	63·6	1·7	5·3	52·7	68·9	47·3	31·1
In industry	89·2	94·5	3·0	2·3	92·2	96·8	7·8	3·2
In agriculture	2·7	4·9	2·2	9·4	4·9	14·3	95·1	85·7
Fund B: Working capital	41·5	39·5	14·9	28·8	56·4	68·3	43·6	31·7
In industry	87·3	74·3	11·9	25·4	99·2	99·7	0·8	0·3
In agriculture	2·7	5·1	1·5	15·9	4·2	21·0	95·8	79·0
Gross production	39·8	52·7	6·1	13·8	45·9	66·5	54·1	33·5
Census industry	90·9	91·1	7·4	7·9	98·3	99·0	1·7	1·0
Small industry	1·3	1·8	19·4	53·8	20·7	55·6	79·3	44·4
Tillage	1·2	3·2	0·6	11·5	1·8	14·7	98·2	85·3
Production of goods	56·4	65·8	9·7	16·0	66·1	81·8	33·9	18·2
Census industry	89·7	90·3	8·4	8·6	98·1	98·9	1·9	1·1
Small industry	1·4	1·8	19·3	53·8	20·7	55·6	79·3	44·4
Tillage	3·6	8·6	0·8	16·7	4·4	25·3	95·6	75·7
Turnover	37·6	36·9	48·5	59·9	86·1	96·8	13·9	3·2
Retail trade	14·8	12·2	60·2	78·9	75·0	91·1	25·0	8·9
National income	42·8	48·4	9·9	17·9	52·7	66·3	47·3	33·7
Industry	78·7	83·5	8·4	11·4	87·1	94·9	12·9	5·1
Agriculture, tillage	1·2	3·1	0·7	11·8	1·9	14·9	98·1	85·1

(6·8 and 11·1 millions). The town therefore absorbs somewhat more than falls to its present share, but this does not make much difference to the total composition. Even at the end of the five years, according to the plan, 134·5 millions of Russians will still live in the country and only 34·7 millions in the town, although the town will secure a considerably larger proportion of able-bodied adults (reckoned from 16 to 59 years). Their total number, according to the estimate, will rise from 82·4 to 91·5 millions, that is, by 9·1 millions, and of this increment the town is to receive 4·2 and the country 4·9 millions (even so, there will still remain 21·9 millions living in the town and 69·6 millions in the country). Of the children and old people, however, whose total number is expected to increase by 8·8 millions to 77·7 millions, the town is only to absorb 2·6 millions, the larger proportion (6·2 millions more than before) being left to the country. And lastly, despite all industrialization (the man-power requirements of which are, of course, diminished by the mechanization which is proceeding simultaneously), and despite all endeavours to proletarianize, the number of wage-earners during the five years of the plan will only increase by 4·5 millions to 15·8 millions, and of this increase 1·7 millions remain in the country; in the town the number grows by 2·8 millions to a total of 9·8 millions; the total number of workers in the census industries, according to the plan, will increase only from 2·75 to 3·63 millions. This is just where the displacement is relatively slight.

Optimists, Ironists, and Politicians

It is useful to make this quite clear, for it shows how natural obstacles even here assert themselves against

a will which with enormous and implacable energy is bent on despising them. Even so, the figures we have quoted attest the colossal extent of the transformation which it has planned during the short period of five years in the country which it dominates.

How far do these figures hide anything more than Will, what basis of reality is there in this conjugating in the future tense? I have here only summarized the contents of the plan. Of the stubborn resistance which it must encounter, both technical and human, something will be said in the following chapters. This is sufficiently appreciated in Russia itself, even in the circles of the ruling party, and when misgivings arise in these circles they are combated with morose tenacity.

"The fulfilment of the five-year plan will enable the Soviet Union to overtake and outstrip the technically and economically most advanced capitalist countries." This saying of an official has become a catchword. There is current at the same time, however, a typical piece of mordant irony, which runs: "What is the best joke in one word? Answer: Five-year-plan." And there is a third dictum, which a Government official uttered in reply to my question as to how far they really believed the plan could be carried out. "We must", he said, "put this five-year plan through, otherwise we shall be thrown out." This sentence sums up the situation very well. The issue at stake is the contest between reality and will-power.

The Heritage

In Baku an enthusiastic woman Communist drove us through the town and its environs in a splendid car, such as is available almost everywhere for such purposes. Right down to the bay and into the waters of the Caspian Sea there stretch far and wide the derricks of the immense petroleum fields. The streets of the old town are thronged with picturesque crowds comprising all the nationalities of the East. Persian women with loose green robes, enveloping the whole figure, gracefully fastened at the chin; Turkish women with white cloths over forehead and chin; Armenians, Jews, Georgians, and Russians. Ancient civic buildings from a long forgotten past raise their thick, grey towers above the swarming houses of the alleys, mosques with their tapering minarets, Orthodox churches with their domes and crosses. When the wind is unfavourable the whole scene is pervaded by an effluvium which blows from the petroleum fields, like a decoction of onions, garlic, and Eastern plants. Above the old town, upon free and open undulating country, in the fresh air and the sunshine, a new town is growing up, with widely spaced housing boundaries, new hospitals, and new school buildings. As in numerous other provincial towns, newly laid-out popular parks are in evidence here in the form of young plantations, as well as extensions of the tramlines, of the water supply, new drainage works, and much else that used not to exist in this town of half a million inhabitants. All this was pointed out by our conductress, and when, quite near fine new buildings, we passed a number of really hideous, old, dilapidated,

and yet crowded tenements, such as stamp the working-class districts of the old town, where tuberculosis rages, as it does in all parts of Russia, she lifted her arm like the priestess of an avenging god. "Look! Those are the workers' dwellings which the capitalists built—that is all that capitalism has left us."

But this is only half the truth, for in reality Russian industry even to-day is mainly building on the heritage of capitalism. This heritage it is preserving and consolidating, an excellent example of which is supplied by the petroleum industry, which is one of its most successful and smoothly working parts. The old plants, including the pipe-lines from Baku to Batum and the Black Sea, so important for the export of petroleum and for supplying West Russia, and alongside which new pipes are now being constructed, were left there undisturbed, requiring only to be put in action again. Moreover, it was an easy matter to make improvements, for now, when everything is State property, placed under uniform management and no longer impeded by the quarrels of hostile groups of undertakings, and when haphazard borings for speculation or to secure ownership rights are no longer made, this natural wealth can be rationally exploited according to fixed regulations. And so derricks are now standing in new fields, as quarter as cheap and more quickly built than the old, imposing in their serried ranks, each having a radius of 50 metres for the most rational exploitation. The contrast with the old fields and their disorderliness, and even with the stupid entanglement of the private borings in Southern California, for example, strikes the eye. And there is the same contrast between the very old and wholly obsolete refinery plants which were found

in existence and the new plant which has been most recently erected.

This juxtaposition of old and new is most typical of the present position of Russian industry throughout the country. And frequently the contrasts are even more marked, incredibly obsolete and backward plants existing by the side of new buildings which are the last word in modernity. The old plants must continue to be worked; they cannot be discarded, for which they have long been ripe, because they can only gradually be replaced. As regards the new plant, however, I was informed by an eminent West European expert that, like children "who want to have everything", they buy the latest, most expensive, and most complicated machines and technical equipment, without inquiring whether they can be operated under efficient conditions, whether the requisite workers and the managers who know how to handle them are available or can be procured, and whether nicely adjusted achievements of Western technique, conceived and designed for countries with a high-wages level and only remunerative in such countries, have any meaning and have any economic foundation here at all. Extreme mechanization, the idol of materialism, is the slogan. And the sense of organic development, which would realize that the neglect of long decades cannot be repaired at one stroke, is as much out of favour as cool calculation.

Fantasias in Kilowatt Hours

Technique is all in all, and electricity is the most modern technical power. Hence the enthusiasm for it. And hence the red-hot zeal for the construction of electricity works, a network of which is to extend over the whole country. The largest of these embryonic

plants, the largest of its kind in Europe, I saw in course of erection at Dnieprostroi. It is well known how simple such a plant looks to the observer. A dam is built across the stream, with sluices on one side of the bank to permit vessels to pass, and on the other side a power-station, over the turbines of which the volume of water rising behind the dam is forced. This has been done often enough in the world, and hardly calls for lyrical outbursts. Nevertheless, the works at Dnieprostroi make a powerful impression, for which the magnitude of the undertaking is not alone responsible, although it is in fact extraordinary. The costs of the undertaking are estimated at 200 million roubles, and the solid concrete which will enclose the whole plant is estimated to comprise one million cubic metres. The like of this has not yet been seen in Germany, and turbines of 80,000 h.p. are unknown to us. So far they have only existed in America, but it is proposed to build ten of such turbines here. The water is to be raised by 36 metres, the effect of which will be to raise the surface of the water for a distance of 100 kilometres. A number of villages will be submerged and disappear, some of which have already been evacuated, but a new small town has already sprung up in their place. In the slack season about 8,000 workers are regularly employed on the constructional works, making, with their dependents, a total of 20,000 to 22,000 persons, to accommodate whom an attractive garden city has been built, with neat gardens, garden plots, schools, etc., including a huge central kitchen and eating-house, whence food is brought in large thermos cans to the outlying places where work is proceeding. In the busy season the number of workers increases to 12,000 or 13,000.

The buildings that are going up here have an enduring character. There is no temporary office of works, but a huge, massive departmental building, intended for subsequent use. Most impressive (even, as they told me, to experts) are the two stone-breaking and mixing plants, in which the lumps of granite got by blasting are crushed into powder and sand. It is German work, but on a scale not yet adopted in Germany itself. And by the side of it all we again see old Russia. On my arrival I was struck by the procession of small carts, laden with two, three, sometimes four lumps of granite. "Yes", the Russian architect said in answer to my astonished question, "that is in fact the cheapest mode of transport here, even for such burdens. Often there will be a hundred carts one after another. We call them the Russian conveyor. Even the great railways through Siberia were built with such carts." There is something further that is peculiarly Russian, which exemplifies the difficulties which every kind of industrial activity has to contend with in this country. Each works here has a disproportionately large workshop for repairs and the supply of spare parts, simply because the Russians are obliged to make for themselves so many things that, in view of the enormous distances and the slight industrial development of the country, are either not procurable at all, or only with great loss of time. The workshop in Dnieprostroi is a considerable factory employing 500 hands.

These huge generators, however, are planned for the future. In the district in which the plant is being erected, the Dnieper is rendered impassable by seven cataracts all situated in close proximity to each other, and navigation of the river is interrupted at this point. This barrier is now being removed, and in future

large trading-vessels will be able to voyage from the Mediterranean as far as Kiev. This, however, is only a secondary objective. The main purpose is the generation of electric power, here as elsewhere, obedient to Lenin's slogan: "Socialism is the Soviet power plus electrification." But no use can at present be made of this electric current on the Dnieper. The opportunities for its employment must first of all be created. And so by the side of the monster generating station itself the construction of new industrial plant on a much larger scale is planned, which it is intended shall consume the electric current. The round sum of 500 million roubles has been allocated to the establishment of these new industries, around which a town of approximately 60,000 people is expected to arise upon land that is now vacant. That these vast plans, which represent a contribution of the entire Soviet Union, are to be carried out in the Ukraine, which is a politically most important member of the Union, is certainly not displeasing to the Government either in Moscow or in Charkov.

The most important work in Dnieprostroi, namely, the work that is proceeding under water, I was unable to witness, because the spring tides had covered the sites and thereby suspended operations. But I was shown another piece of work, where, conversely, man proved stronger than Nature. On this spot the base of one of the mighty piles, which in the future is to carry one of the new bridges, had been built in the water. It had been a veritable race between man and the water as to who should rise the higher. For twenty-four hours a day work had proceeded behind a screen which, covered with a roof and electrically heated and lighted, protected the work like a real house in midstream. The effort was

crowned with success. The base stands firm despite the tides.

The day following the visit to these works we voyaged down the Dnieper. As frequently happens in this country, where time-tables are unobtainable, the ship left three hours later than was anticipated, and instead of lasting three hours, as we were vaguely led to believe would be the case, the voyage occupied nineteen. But it was glorious. The majestic solitude of the immense stream down which we travel, as if we were crossing a great sea, is extremely impressive. And impressive too is the majestic solitude of the country on its banks, relieved only at intervals of hours by a village, a monastery, or a township. At the rare landing-stages, where cargo is loaded and unloaded, the people of the vicinity foregather, often merely because it is an opportunity for them to meet and see something. It is the picture of a completely secluded country, apparently withdrawn from the turmoil of the present, presenting an amazing contrast with the great plans for the future on this river and in this country.

This planning for the future is typical of the methods of Russian industrialization. Another thing that is typical of the methods of Russian industrial extension is the equipment of new model works with exemplary social institutions for the benefit of the workers, without sparing expense. I saw, for example, the new giant factory for the manufacture of agricultural machines which is just beginning to be constructed at Rostov on the Don. It is to be, of course, imitating the Americans even in the use of the superlative, "the largest plant of its kind in Europe". And its social aspects are certainly most imposing: an enormous "combinate" for 9,000 workers who are to work there in two shifts; the well-lighted and well-aired

hall arrangement of the factory, which, besides the manufacture of machines, is also to serve as a repairing shop for the agricultural machines of the whole country, and surrounding it large blocks of workers' dwellings, a club, large dining-rooms for the workers, a technical school for young persons, who are to leave this school as skilled and qualified engineers; parks are to be laid out and many other things of the same kind. This is not an isolated example, but is typical; in many cases the new installations of plant present a similar spectacle. Excellent! But are they not dangerously weighted and made more expensive by all these accessories? The Communist architect, of course, smiles at this question: "We do not want to extract profits like the private capitalist, but desire to benefit the workers and peasants." A praiseworthy sentiment, only this all too facile reasoning overlooks the fact that the peasant customer for these machines requires not only machines but machines at prices within his reach.

Impediments

From one point of view, it is very easy to carry on industry in Russia, for there is no marketing problem at all in this country. The commodity shortage is so acute, the commodity hunger in the immense country is so great, that it absorbs everything that is produced, like a sponge absorbing water. Moreover, the leaders of industry themselves are not as a rule concerned with the disposal of their product. The selling syndicates and the commercial undertakings relieve them of this responsibility. The trust boards, and even more the managements of individual undertakings, are concerned solely with problems relating to the tech-

nique and organization of production. But in Russia these problems often bristle with difficulties to an extent that is unknown elsewhere.

First of all there is the technical problem. The delivery of raw material and the supply of semi-manufactured products are often matters of extreme difficulty. It is more difficult still to obtain spare parts or to repair machines purchased from abroad, if such parts cannot be made in Russian workshops. Occasionally one comes across factories which present an astounding spectacle: only a small portion of the machinery is working, many of the workers are standing around doing nothing or making motions which to the uninitiated look like a theatrical performance given for the benefit of foreign visitors, and to questions indicating surprise, embarrassing answers are returned from which one thing only is clear, that something vital has gone wrong, either connected with the machinery or the supply of raw materials. Or one may meet foreign engineers supposed to be supervising some building operations who are at their wits' end. Everything takes much longer than is expected. At one time work is suspended because supplies are not coming through; on another occasion it must stop because remittances of money are withheld, or else the undertaking simply will not function.

To the material difficulties are added personal ones. Bureaucracy can be a damnable impediment. We are sufficiently familiar with it, even in the huge concerns which are operated by private enterprise. Here it is a decidedly worse evil. Weeks may elapse before an order actually brings along the articles that are wanted, before a proposal is really carried out, before an import licence is received, for everything gives rise to journeys, speeches, and discussions,

necessitating the use of reams of paper, because it must pass through innumerable authorities, and it is obvious that each of these authorities is constrained by the very system of dictatorship and the rigorous nature of its penalties to shift the responsibility on to the next one. The supreme authorities strive to improve matters, and an improvement has certainly been gradually taking place in many respects. Nevertheless, the loss of energy caused by the economic machinery of coercion—the obverse side of economic directivity—is on the whole still appalling. The bureaucratic obstacles are still very serious in the individual undertakings. The revolution flooded the administrative services as well as the industrial undertakings with a multitude of people whose only function consists of standing in each other's way. Much, very much has been improved in this respect. As an instance of this, some details relating to the reorganization of the Finance Commissariat of the Russian Soviet Republic (the largest constituent part of the Union), which throw a powerful sidelight on the extent of the existing abuses, as well as the progress that has been made to remedy them, recently went the round of the Press. "The Finance Commissariat", it is stated in one of these communications, "was divided into more than a hundred departments and branches of administration. Under the cover of this complicated structure, luxuriant blossoms of bureaucracy and irresponsibility sprang up and stifled the initiative of the most capable officials. Between the heads of the financial departments and their officials impenetrable walls were erected by the innumerable structural divisions. The process of reorganization drastically altered this top-heavy bureaucratic edifice. In its place a department of responsible officials was created. To each official is

entrusted a specific task, for the punctual discharge of which he is personally responsible. The consequence is that 19,000 officials now suffice for the work of financial administration, instead of the former 43,000 employees. Thus in the financial department of the Russian Soviet Republic alone there were 24,000 superfluous employees, who only complicated and confused the work and widened the distance between the financial organs and the broad masses of the people. The dismissal of superfluous employees enabled the Finance Commissariat to reduce its allocation from the State budget alone by 12 million roubles annually, which is equivalent to only 500 roubles per annum for each of the dismissed employees. Thanks to the simplification of the money machine, the cash reserves of the State Bank have been augmented by nearly 50 million roubles. Inter-departmental communications within the financial departments have been reduced to 15 per cent. of their previous dimensions, which is a reduction of 85 per cent. In accountancy and statistical work a veritable revolution in the direction of simplification and mechanization has likewise been carried out." Also in the economic undertakings a process of sifting is perpetually going on. And at periodical intervals the whole country is subjected to a process of purging in which secondary political motives are undoubtedly combined with a desire to effect a genuine purification of the works and undertakings. The only question is whether the evil will not continue to recur.

Socialization and Management

This leads to the problem of management, with which Bolshevism has wrestled for a long time. At first it

solved this problem by placing the works "under the control of the workers". But this turned out to be either a fictitious control, or else no business was left to be controlled. So Lenin, as early as the spring of 1918, in his great speech on "the immediate tasks of the Soviet power", indicated a twofold path. For the time being the expert knowledge of the old bourgeoisie must be bought and paid for in the shape of higher salaries to these specialists, which must be regarded as the "penalties we pay for our own backwardness in organization". Simultaneously forces must be developed from the proletariat capable of replacing these specialists. "There are plenty of organizers among the workers and peasants who do not exploit alien labour; capable workers who are suppressed in thousands by capitalism, crushed and cast aside. . . . We do not yet know how to find them, to encourage them, and put them in the way of distinguishing themselves. But we will learn to do this, if we apply ourselves to this task with the entire revolutionary enthusiasm without which no revolution can be victorious. . . . We will proceed on our path, endeavouring as cautiously and patiently as possible to test and discover genuine organizers, persons with sober understandings and practical instincts, who combine devotion to socialism with common sense. Only such men, after tenfold testing, as they progress from the simplest to the most difficult tasks, are to be installed in the responsible posts of industrial leadership. We have not yet learnt this, but we shall learn it."

Perhaps after a year, or even earlier, so he thought at the time, they might become independent of the old experts. "The sooner we workers and peasants assimilate a better labour discipline and a higher labour

technique, making use of the middle-class experts for this knowledge, the sooner shall we be relieved of all tribute to these experts." Upon this forked path they have in fact proceeded, with many fluctuations and with much effort, but with frequent success, although the tribute to the middle-class experts has actually still to be paid to a very large extent, and will in reality continue to be paid as long as they remain alive, as the new social sections will not be able to replace them or render them superfluous during the present generation.

The Red Manager

The actual scheme of organization, therefore, is as follows: At the head of the concern is a red manager, of working-class origin, who is a reliable Party member and is chosen by the Party authority with great care. By his side, or under him, however, is the skilled expert, the educated specialist. In every case the red manager is, of course, the controlling political authority, who has to see that the principles of the régime are observed, and not sabotaged, in the undertaking entrusted to his care. In isolated cases this function of supervision is practically the only one which he performs, and for the rest he remains nothing but a screen, behind which the expert does the real work. But in very many cases it is manifestly the reverse, everything depending upon the manager's personality. Among the red managers with whom I came in contact I met a large number of men who gave the impression of great capacity. And impartial authorities possessed of a much wider range of experience informed me that the experiment as a whole is to be regarded as successful. A considerable number of

really splendid fellows have come to the top, men who have grown up with the Party, who combine in very happy proportions the unbureaucratic common sense of the man in the street and the energy of the simple worker with freshly acquired knowledge and capacity, who take their work quite seriously, carry it out in a spirit of self-sacrifice, and do remarkable things. With few exceptions, these red managers do not receive more than the maximum Party salary of 225 roubles a month. It sometimes happens that a worker promoted to this position is unable to fit into the new environment and cannot resist the temptations which it brings. He is then summarily ejected. The Party makes every effort to ensure clean hands.

The Specialist

But the almost tragically complicated position of the specialist is by no means improved by this process of consolidation. There may be among them individuals who, as party doctrine asserts, cherish a real hostility towards the régime, and are bent on putting actual obstacles in the way. I did not meet such persons. In any case, the overwhelming majority of the specialists have undoubtedly at least reconciled themselves to the new régime. They do not think about politics at all, but are simply intent upon working for themselves and the country. In return for modest remuneration—as previously mentioned, only a few, even in the leading positions, receive a salary of more than 500 or, at most, 600 roubles a month, while the great majority get considerably less—they strive to employ their talents to good purpose, and find in their activities the satisfaction denied by the limitations of material promotion. They want to work honestly and efficiently.

And some of them have to-day progressed so far as to be fully alive to the magnitude of this historic experiment, and are consciously co-operating in its success, partly because they fear the chaos that would threaten the people in the event of failure. Yet these specialists, whom the régime regards only as engaged servants subject to notice, are perpetually under a cloud of suspicion, which constitutes a standing menace to each one of them. In the Moscow trade union theatre I saw a play (running in its second year) which is very typical of the prevailing tendency. A locomotive factory, two red managers, one an upright, efficient man of the people, the other a weakling cajoled by the flattery of the specialists; in addition two engineers disguised as cunning rogues. These two forge a document and prevail upon the honest red manager to sign a receipt accepting bribes. He is arrested, thrown into prison, and the engineers now have charge of the factory. But just as they are about to seal their triumph with the completion of the first locomotive their crime is discovered. There they stand unmasked, awaiting punishment, while the worker-manager declaims to the comrades the epilogue, amid the deafening applause of the audience: "Comrades, our locomotives will go." It is a blatantly tendencious play, but this tendency is uppermost. The struggle with the specialists, I was told by a Russian, is analogous to the Jewish pogroms instigated by the Government before the war. The specialists are terrified, much to the detriment of the cause. Frequently they do not venture upon any innovations, to avoid compromising themselves with a failure, but are content to imitate what has been well tried by others. They live in constant apprehension for their security. All this has become very much worse since the Schachty trial.

Discipline in the Workshop

The misfortune among all others is that discipline among the workers themselves has suffered a severe blow in the last two years through this persecution. It is, moreover, one of the most difficult problems of Russian industrial activity, and is the problem that naturally arises in the early stages of industrialization. The masses who flock from the villages into industry are not accustomed to regular and prolonged work at the machine, and I have seen works where the staff consists of between 60 and 70 per cent. of such recruits freshly drafted into the process of production, whereas the class of old, experienced workers tends to coagulate, because, being the most conscious section of the industrial proletariat, they are increasingly summoned to responsible political and social work. The new-comers do not know how to handle the machines; vodka does its duty; and now their recalcitrancy is accentuated by the inculcated mistrust of the engineers whose orders they are supposed to obey. Consequently the Press and trade union discussions teem with complaints about loose discipline, wanton damage to machinery, unpunctuality and unexcused absences, laziness, and bad work. The vociferous public complaints are certainly a part of the system of continuous propagandist stimulation, but the evil is undoubtedly very great. During this present year (1929) Russian industry is in process of being adjusted to a seven-hour day, and this has been partially carried out. I have come across concerns with an old and experienced staff, where the utmost efforts are being made to avoid a decrease in output resulting from the shorter working day; the workers are now being accustomed to achieve the same unitary output in seven hours

as was formerly done in eight, and apparently with a prospect of success. In other works, however, even in really large and famous works, the managers frankly confessed to me that if it could only be fully utilized, the seven-hour day would mean for them not a decrease, but an actual increase in the real working time, as only 50 to 60 per cent. of the present nominal working time was utilized, owing to the numerous pauses and delays.

High Working Costs

As a result of all this, Russian industry mainly operates with working costs which, compared with abroad, are simply enormous. In the iron industry, for example, the difference in the year just past (it may have become somewhat smaller in the meantime) amounted to 80 to 100 per cent. In the Putilov works in Leningrad tractors are now being made which were at first marked up at a price of 6,500 roubles, compared with an American price of 400 dollars. A reduction of 40 per cent. has now been effected, but although these tractors are being sold at half the cost of production, the farmer still pays for them twice as much as for the equivalent American article. Such discrepancies are frequent. In an establishment manufacturing articles of common consumption, the selling price in Russia amounted to between five and six times the foreign price. In other words, any real competitive capacity of Russian industry in the world market is largely out of the question. Unless the natural basis of an unusually favourable production exists in special cases, as, for instance, with petroleum, Russian industry is maintained at the present time only by closing the door to the foreigner, which gives it a monopoly in the home

market, at the expense of this home market, which must pay the prices demanded. The people must sacrifice themselves not only for the cost of the State machinery, not only for social and educational expenditure, not only for the compulsory accumulation of capital for the purpose of economic reorganization, but also for the maintenance of the industries that already exist. The rulers console themselves with the thought that this has always been the case in Russia. Russian industry was never able to compete with foreign industry, and always existed, like an exotic plant, behind high tariff walls. This is true. But even the peasant, enlightened by the régime itself, now sees the position more clearly. Resistance to the sacrifices imposed is growing. To diminish these sacrifices, by reducing the working costs of industry, is therefore an urgent political need of the régime at the present time.

Profit as an Incentive

It is very interesting to observe with what devices the Bolshevist régime seeks to effect this reduction in working costs, for these devices are substantially nothing less than those of private enterprise. The principle reads: From each according to his capacities; to each according to his needs. But in practice it is the reverse: each works according to his needs, and earns (at least within the relatively narrow limits of differentiation) according to his capacity. This begins with the wage system. Piece-work is widely prevalent, tempered only by the fact that the basic wage is relatively high and the increases relatively low. On the other hand, this piece-work system is supplemented by a system of bonuses, which is to be extended still further. It is

interesting to note the reasons for this given by L. Ginsburg in a trade-union work, naturally from the official standpoint, dealing with wages and labour conditions in the Soviet Union. "Despite the growth in class-consciousness of the Russian worker, this could not be made the basis of the relation of the individual worker to his work and to his wages, because the preliminary technical and educational conditions have first of all to be created. It is easier to understand the general class tasks, and to be a supporter of the Soviet Union, than to think continuously for eight hours every day of the obligation to intensive labour." This, indeed, could only be learned by practical experience, for at the outset an almost complete levelling of wages was introduced, as enjoined by principle. "When during these years the wage of a highly qualified worker only comprised 108 per cent. of the wage of an unskilled worker, the productivity of industry declined alarmingly, and was reduced to one-third of the pre-war level." So at the Sixth Trade Union Congress in 1924 it was resolved to employ methods of an opposite character: "In order to increase the personal intensity of labour, an extensive application of stimulative forms of wages is necessary, that is, by the introduction of a system of direct and unrestricted piece-work for industrial workers and the payment of bonuses to the auxiliary and technical-administrative staff, in accordance with the results of production."

Within very modest limits, the bonus system also applies to employees. Works showing good results may, for example, set aside from their profits certain sums for scholarship funds, intended to assist young engineers to make educational trips abroad, and what could be more desirable? Moreover, the régime is

relying upon the strong incentive of advancement to induce capable and ambitious persons to excel. If the strong incentive of personal material success is lacking in Russia, on the other hand, the system offers the capable man who is able to adapt himself politically almost unlimited opportunities for the exercise of his talents in view of the enormous demand for ability.

Finally, the whole organization is making strenuous efforts, within the limits of the centralized, monopolistic, industrial, and trading constitution, to provide opportunities for checking and comparing the returns of all the business establishments, and by means of the data thus supplied to assess the returns from any particular concern. Exactly as in the case of private enterprise, which is here faithfully copied. The trusts, and individual concerns inside the larger trusts, prepare and publish balance sheets just like joint-stock companies. The capital for which they are responsible has, since the currency reform, been approximately ascertained for the first time, despite the expropriation without compensation of the previous owners, and the amounts transferred to the individual concerns by the State or arising from their own reserve funds are likewise added to this responsible capital. To ensure clarity in the balance sheet and to facilitate the comparison of results, no use is made of the opportunity which presents itself of treating as written off the new capital created by taxes or by prices. An ordinary profit and loss account, as with private undertakings, is also prescribed. No provision is made for bad debts, for writing down doubtful assets, or for interest upon the credits to which the business has resorted, and which are, in fact, often granted free of interest. The profit realized, however, is distributed according

to a uniform scale: 10 per cent. is straightaway allocated to income tax and 3 per cent. to the support of technical education. Of the balance, 10 per cent. is assigned to a fund for improving the situation of the works, especially in respect of housing, 10 per cent. is placed to reserve, and a similar amount to a further special fund, while 25 per cent. serves for the expansion of industry, that is, for the expansion in various ways of the special branch of industry to which the concern in question belongs. The remaining 40 to 45 per cent., after contributions to funds for scholarships, profit-sharing, bonuses, etc., goes as the real dividend to the revenue authority, which, for its part, spends it within the limits of its budget upon the maintenance of industry generally. Thus in the distribution of profits there is revealed a characteristic division between the interests of the individual concern, the individual branch of business, and the economic system as a whole. But this does not by any means preclude the individual concern or the individual trust from striving to retain for itself as much as possible of the profits which it earns. The methods employed are similar to those in vogue with capitalist joint-stock companies. The more remunerative concerns put aside as large a sum as possible for depreciation before the profit is actually ascertained. For the rest, there may be, as this method shows, remunerative and unremunerative concerns in a particular branch of business, and the need of reorganization of the unremunerative concerns becomes evident. There is also a possibility that individual undertakings (undertakings of the Bolshevist State!) may compete with each other, although as a rule the authorities interfere before this extreme step is taken. For the same reason, in order to facilitate the comparison of results, several under-

takings of the same size belonging to a particular branch of industry may be established side by side. The fact that the Soviet Union maintains a complicated tariff of import duties at the present time is partly to be explained from the endeavour to oppose the incentive of individual and group ambition and the exact calculations of private enterprise to the bureaucratic ossification of a centralized undertaking, and also the endeavour to adapt policy to the group ambition and group egoism that has already developed. At first sight this tariff seems inexplicable, for where is the sense in customs duties when by virtue of the foreign trade monopoly any undesirable imports can be forthwith excluded, and when, moreover, the State is the sole importer, able to determine its imports in accordance with price considerations or reasons of political expediency? These import duties are certainly useful as a weapon in negotiating with foreign countries, in so far as concessions and differentiations may secure concessions for Russian exports, credit facilities, and similar things, but this does not signify very much to the foreign trade monopoly. Rather the main object is the same in the realm of Bolshevism as in all countries where private enterprise prevails: to use the tariff as a means of diverting as much as possible the demands of individual industrial and commercial undertakings for the products of foreign industries to home industries. The external trade monopoly protects from without, not from within, that is to say, it does not protect the central authorities from a rain of imports from individual industrial and commercial organs, which even in the Bolshevist State are primarily concerned with purchasing on the most favourable terms. The tariff barrier deflects a large part of the applications for import licences,

under which the Central Department would otherwise collapse, because it compels prospective importers to add the customs duty to their calculations, just as the estimates of individual concerns must leave a considerable margin to the Central Import Department, as, in view of the immensely complicated variety of import goods, it is impossible for a Central Department to ascertain where quality, prices, and terms of payment may be most favourable for the works requiring the goods.

Those at the head, therefore, take deliberate cognizance, in their solicitude for the rationalization of economy, of the interest of the individual and the business egoism of the individual establishment. And they frequently remark with astonishment how shamelessly this individual or group egoism thrusts itself into the foreground, often (even in Russia) in opposition to the interests of the community. As an example: business and manufacturing secrets are supposed not to exist in Bolshevist economy. Whosoever discovers an improvement is supposed to make it immediately available to others, and this is what one would expect to happen here. But difficulties are continuously encountered when it is sought to put this principle into operation.

Socialistic Competition

It is clear that the factor of incentive in industry, even in its completely nationalized sector, has not undergone any fundamental change. And when competition is acclaimed as the most important means of progress and elevated into "socialistic competition", all that it amounts to is a combination of the incentive of private enterprise with revolutionary methods of

agitation and propaganda. The following report from Tver throws light on this question:—

"An imposing street demonstration attended by several tens of thousands of workers imparted a holiday aspect to the streets of the town. The occasion of the demonstration was not a revolutionary celebration, nor were the masses demonstrating against the insolent provocation of some imperialist power. The flags and banners carried with true revolutionary enthusiasm bore somewhat unusual legends: 'Down with the costs of production!' 'We pledge ourselves to reduce the costs of production 10 per cent. by the 1st of May.' 'For the improvement of labour discipline.' 'We have signed the agreement of the thousands.' "

This agreement of the thousands sets forth that the staff of nine textile factories in Tver, Moscow, and Ivanov-Vosnessensk, numbering 58,000 textile workers, mutually pledged themselves in the following terms:—

"We make an economic and political agreement and swear a solemn revolutionary oath that, faithful to our revolutionary proletarian word, we will carry out the industrial finance plans of our undertakings in their entirety.

"In order that the competition may be made as effective as possible, we pledge ourselves to carry out the following tasks:—

"1. By the international proletarian holiday, the 1st of May, we will effect such a reduction in costs of production as to ensure the carrying out of the industrial finance plans in all their completeness.

"2. We will intensify labour discipline in our factories, take prompt action in all cases of absence from work without leave, and will not tolerate careless

work, waste of raw and other materials, or any careless treatment of machines and tools.

"3. We will reduce the percentages of damaged goods and breakages of machinery to the very lowest minimum.

"4. We will raise the productivity of every machine and every worker and avoid idle runs of machines.

"5. We will try to ensure that no single worker, engineer, or technical employee is absent from the production conferences.

"6. We will carry out the economically justifiable proposals of the Works which aim at reducing the costs of production, including both the proposals which are submitted during the competition of productive consultations and those which are submitted subsequently.

"7. We will broadcast our achievements during the period of competition by regular publication in the newspapers, *Tverskaja Pravda*, *Rabotschij Kraj*, and *Rabotschaja Moskva*. In promising again to carry out all the obligations enumerated in the present agreement, we pledge our word that we shall resort to all measures, under all circumstances, necessary for the realization of the tasks imposed upon us by the Party and by the Government.

"We appeal to the workers of the entire Soviet Union to follow our example.

"Forward to new victories! For the general platform of the Party! For reduction in costs of production!" (Here follow the signatures.)

This socialistic competition is now being waged through the whole country, with all the customary intensity of propaganda. Factories and peasant villages are summoned to take part in this competition, in order to abolish an evil, in order to achieve progress. And,

again, an opportunity offers of investing life with a higher purpose and setting a goal to endeavour. But, strange to relate, I have been told of a case in which one factory remained the victor in such competitions with striking regularity. The quantity of materials which it produced was always higher than that of the others. Inquiries were instituted, and it transpired that this material has been weighted to an inadmissible degree by colouring matter. The victory was won, but the materials were spoilt. This was business egoism with a vengeance.

It is undeniable that the efforts towards rationalization have actually met with very considerable success. In a number of undertakings I was supplied with statistical confirmation of this, which was most impressive. These attempts will be powerfully reinforced by the five-year plan. But a suspicion is already abroad that concerns which are unable to accomplish the prescribed objects by legal means may resort to underhand means, such as a deterioration in the quality of the goods. Occasional indications of this tendency seem to be causing concern.

Even more urgent than rationalization or reducing the costs of production is the question of improving the discipline among the workers. To impose a stricter discipline upon the workers is a task that brooks no delay, and it again raises the political and social problem of the position of the workers in socialized industry.

424 Per Cent. Profit

Out of the drab plain of proletarian existence in which a people of 150 millions live, there rise, like islands emerging from the uniform level of the boundless waste of ocean, a number of privately conducted enterprises, of which a portion—indeed only a portion —yield their private owners profits of truly fantastic dimensions. I have before me official details of the profits of nineteen of such undertakings, which show that during the three years 1925–26 to 1927–28 they returned an average of 27·1, 53·8, and 85·2 per cent. upon the invested capital. In the case of quite a number of these nineteen undertakings, the profits distributed in the last-named year exceeded 100 per cent. of the capital; one of them realized in 1927–28 a profit equal to three times (301·9 per cent.), and another in 1926–27 even more than four times the capital (426·6 per cent.).

No wonder such enormous profits powerfully stimulate the spirit of enterprise. And so in Moscow, the centre of the Communist International, one may meet gold-diggers from all nations—gentlemen gold-diggers in evening dress—who are fascinated almost to ecstasy by the prospects they believe they see here, and who are now plunged in despair by the long-drawn-out negotiations or the delays of their customers abroad. Every day of delay seems to them a sheer loss of tens of thousands of roubles; they are impatient to begin digging for gold.

Thus colossal profits are made in this country, which has not only proclaimed the expropriation of the expropriators, but has carried it out with unex-

ampled ruthlessness. Colossal profits are made by foreigners under this régime, which punishes its own nationals with cruel severity if they attempt to make a profit that is ever so little above the average permitted in private enterprise. With foreigners, however, it is a matter of business. It is a matter of the concessions which Russia grants to foreign concessionaires, to enable them to drive a flourishing business in the country of Bolshevism.

The Significance of the Concession Policy

Lenin called this system economic copulation with the capitalists, and, in spite of the price it was prepared to pay to foreign enterprise, the Bolshevist régime anticipated great advantages from this policy, chiefly the influx of foreign capital into the poor country which needed this capital so urgently, combined with a strong impetus to its economic expansion. Model establishments were to be set up in this way, which would serve as an example to Russian economic activity. Highly skilled experts were to be brought to the country by this means, and the progress to large-scale operations, upon the basis of the maximum exploitation of all technical advantages, was to be thereby accelerated. Finally, production itself was to be expanded much more rapidly than was possible with Russian resources.

In spite of all this, the concession system so far has brought many disappointments to both parties, the Russians and the foreigners. The Russians, because the system has fallen far short of assuming the proportions which had been hoped for. At the beginning of 1929 there were 64 (68 according to another statement) of such concessions in operation. In addi-

tion, almost the same number of agreements were in force relating to technical assistance. As regards the concessions proper, Germany headed the list with 12, then came Japan with 11, the United States with 7, Poland with 6, England and Austria each with 5, and 11 other States with smaller numbers. The concessions were distributed over every possible branch of industry, e.g. mines (13), transport undertakings (6), forestry concessions (3), agricultural concessions (5), building enterprises (2), and commercial undertakings (7); the total included a further 22 undertakings engaged in various manufacturing processes. The latter number is also somewhat deceptive, as it includes a considerable number of relatively small concerns which (as, for instance, the mass production of cheap and nasty celluloid combs) do not make articles of prime necessity. Again, the foreign capital which has been attracted by this policy is estimated to amount to 50,095,000 roubles, which is really very little, especially when allowance is made for that portion of it which represents undivided profits. The Russians, therefore, are disappointed, and not less disappointed are some of the foreign concessionaires, for the immense gains of the prosperous ones are counterbalanced by the heavy losses incurred by other concessions, many of which are faced with the alternatives of incurring heavy sacrifice or abandoning the attempt altogether.

Prospects and Perils of Concessionaires

For these losses the foreign concessionaires concerned must at least bear a great portion of the responsibility. They have often acted with incredible carelessness, which affords a very bad testimony to the business

ability of these business men, among whom, unfortunately, are a number of Germans. The possibilities of production have been most inadequately investigated. In the case of the Krupp concession the cultivation of grain on a large scale was planned in a soil that was entirely unsuitable and with methods that were wholly inappropriate. Incompetent managers have been placed in charge of these enterprises, and, above all, many of the concerns were from the start supplied with quite inadequate capital, relying upon Russian credit, which had not been guaranteed and was not forthcoming. Several very bad bargains were made, and failure was only to be expected.

It will be appreciated that the enormous profits of which we have spoken were realized in enterprises devoted to the production of finished articles. Such enterprises serve to feed the commodity-hunger of the country, which confers upon them a virtual, if not a formal, monopoly, behind the barriers of the foreign trade monopoly and the tariffs. If their concession agreements empower them to fix prices independently, they may exploit this monopolistic position to an extent that is only limited by consideration for purchasing power. And this they may do with all the more impunity, as the State, by virtue of the concession agreements, is entitled to a very large share in the profits of concessions, its fiscal interest in this indirect taxation of the consumer coinciding here with the profit-making interest of the concessionaire. Other concessions occupy a similarly privileged position, if they manufacture raw materials or partly finished goods, which are generally exploited by the State, provided their concession agreements allow them to export or grant them free access to the home market. By acquiring concession undertakings which conduct

related processes of manufacture, and selling to customers who are not entitled to buy at the fixed scale of prices, to the State or to foreign countries, they may quite legitimately obtain several times the price which has to satisfy the economically coerced Russian producer. The third great source of profit, however, is the Exchanges and the fictitious parity which is maintained by the organ of central economic control for the purposes of its calculations. For one of the results of this policy is that foreign currency, which is required for productive purposes in order to import foreign raw materials for instance, may be obtained by persons entitled to import at a figure far below the ostensible equivalent, whilst the concessionaire who transfers rouble profits abroad derives a second profit from this currency policy by changing his roubles into a very high amount of foreign currency, always supposing that the concession agreement secures him the right to procure foreign money and permits him to transfer his profits.

In making this security really absolute, however, consists the whole problem implied in the above-mentioned questions and many others. All the difficulties which beset industrial activity in Russia generally would apply equally to the foreign concessionaire once the good will were withdrawn with which the authorities strive to smooth away these difficulties for their own undertakings, not to mention the by no means impossible contingency that, conversely, the authorities might use these difficulties in order to put pressure upon the concessionaire. These difficulties would first arise in the course of business: if materials were not punctually supplied, if written applications remained long unanswered, if it proved impossible to penetrate into the vital parts of the immense bureau-

cracy, or if each of these vital departments shifted the responsibility upon another. In the delivery of raw materials the matter would be carried a stage farther. Viewing the position as a whole, the material difficulties connected with Russian industry are very considerable, and the foreigner cannot ignore them. In order to save foreign currency, the Government is now endeavouring to replace foreign raw materials, as far as possible, by employing native materials; it is also seeking to impose on the concessionaire who wants to manufacture a finished article the obligation to foster the simultaneous development of an internal raw-material basis; this is not facilitating matters. Then there is the labour question. Wages and other working conditions are settled from year to year in collective agreements with the trade unions. It is feasible that they should be prone to make very high demands upon the foreigner, and in a number of cases the wages paid by concession undertakings are in fact far above the average level. The disposal of the products is also apt suddenly to encounter unexpected obstacles. Marketing being carried out mainly by the State and co-operative organizations, a hint from above can suddenly make these selling organizations very reserved, if this seems desirable for putting pressure on the concessionaire, so that, despite the scarcity of commodities, he does not know what to do with his goods. Finally, there is the transfer of profits abroad. In view of the prevailing scarcity of foreign currencies, this is very inconvenient to the Government as a financial operation; and whilst the concessionaire is most interested in putting his invested capital in a place of safety by the transfer of profits within the shortest possible time, the State, to which the concession equipment will revert, without compensation, at the

expiration of the concession period (as a rule between twenty and forty-five years), is, on the contrary, interested to see that the concessionaire invests as much of his profits as possible in the undertaking. The transfer of profits and their exchange into foreign currencies are, of course, reserved in all concession agreements. But, as in native undertakings, profits can only be distributed after the balance sheet has been passed by the Finance Commissariat, and the sanction thus prescribed might also occasion difficulties and postponements which involve loss.

These are some of the more salient concrete difficulties which the concessionaires are constantly meeting in practice. The most careful selection and testing of objects, the most careful arrangements with regard to the necessary capital, and, finally, the most careful drafting of agreements—all this, which has been so lacking in the past, may render the position more secure. But absolute safety there cannot be. Let the agreements be never so meticulous, let all disputes be referred to the decision of arbitrators appointed by each party, and whatsoever else, the fact remains that agreements which really cover all possible contingencies are difficult to draw up, even if they can be drawn up at all. The concessionaire has always to reckon with the possibility of modifications in internal legislation, as well as with the possibility of changes in tariff policy and similar things. And there is much truth in the sigh emitted by a business man when, after protracted negotiations leading to no result, he summed up his opinion in the words: "In theory you possess every right, but in practice you are bound hand and foot."

New Projects

This is the explanation of the fact that by the side of good concessions yielding enormous profits there are others which are failures and make losses, and this also explains the relatively slight success that has so far attended the efforts of the Soviet Union to encourage foreign concessions, as well as the small extent of these concessions, despite the fantastic gains of some of them.

The Soviet Union has lately made a fresh attempt to extend the concession system. In connection with the five-year plan, it has compiled long lists of undertakings in the municipal sphere (underground railways, electricity works, water supply, drainage, gasworks, abattoirs, etc.), as well as of undertakings for agricultural improvements, building enterprises, industrial undertakings in all possible branches—all being undertakings which it will operate itself if needs be, but which it would gladly transfer to any foreign concessionaires who might be interested in them. As before, it leaves it open to the enterprising foreigner to submit proposals for acquiring any concession undertakings not included in these lists. This intimation, combined with the five-year plan, which foreshadows to some extent the import policy of the next few years, has prompted private enterprise in various countries to give fresh consideration to the possibilities of increased business with Soviet Russia. The presence of a large English economic delegation in the spring of 1929, and of a perhaps even more important American delegation during the same summer, shows this. The German business world also has every reason to test these possibilities very carefully. But care and precaution are likewise urgently required.

For the economic policy of the Soviet Union still embodies two tendencies of a contradictory character. On the one hand, it desires to attract foreign capital and to foster economic relations with abroad, and, on the other hand, despite all the warnings of the Right wing opposition, it maintains and aims at developing internal economic policy upon the revolutionary lines which have been in favour since 1927. The antagonism persists between the ruthless extirpation of all vestiges of private enterprise, however modest, at home, and the capitalist islets of foreign concessions, which are far more in keeping with the system of the New Economic Policy of 1921 than with the present state of affairs. These are obscurities inseparable from the transitional phase.

Economic Snapshots

A great confectionery factory in Moscow. A vast hall with several hundred woman workers, sitting on stools in long rows, whose skilled fingers work with uncanny swiftness without pausing. What is the nature of their work? They are rolling bonbons in small, coloured silk papers, prepared for the purpose. Eight hours a day they do this, and for 300 working days in the year. This, then, constitutes a life task: to roll bonbons, a satisfying work for hundreds of people. In other departments of the gigantic undertaking, the work is already mechanized, is already being performed by machines. But this is nothing more than a temporary expedient, as this wrapping of bonbons is being done in the very works which manufacture the machines for this process, and in these works similar routine processes are going on. Here, as elsewhere, there is perpetual division and subdivision of labour, and here, as elsewhere, the problem of the human being in the vast industrial concerns is unsolved and insoluble. It goes without saying that Bolshevism has found no other answer to the problem than to take it over unanswered.

Here is another picture, which one may see a hundred times. In an office furnished with desk and easy chairs, equipped with complicated telephones, women secretaries working at typewriters in the anteroom, sits the manager. He calls an engineer to show the visitor round the works. The engineer in each department calls the foreman, under whom work the workers at the machines and the boilers. There are manager, engineer, foreman, and workers. Here, as

elsewhere, is the works hierarchy—here even more than elsewhere, because Russia has the assistance of fewer machines than the rest of the world, men sweat under heavy burdens, men dig for coal and ore in dark mines, men perform in mud and dirt, breathing noxious fumes, the heavy and frequently injurious work which industry inexorably exacts, whilst others are able to exercise their speculative minds over books, microscopes, and reagent glasses. Here, as elsewhere, is the division between brain and hand, between responsible directivity and manual labour. Wherein does it differ from the world outside?

I met a young Communist, who knew the German youth movement and is particularly active in the Russian youth movement. He said: "The Left opposition of Trotsky derived its strength from two main supports: the workers fresh from the country, and young people of the towns. Both belong to the post-war generation. Those fresh from the country were not amenable to labour discipline, but this they will learn. The position is more difficult, however, with regard to that section of urban youth which takes its stand on principle. They have not known capitalism. They have grown up under Bolshevism, but this they do not appreciate, as they find that the realities they experience are identical with what they have learnt from books to be capitalism." Again, where is the difference from the outside world?

Finally, a newspaper announcement, quite short and curtly phrased. It announces, among other not less interesting changes in governing circles, that Tomski, hitherto the foremost leader of the All-Russian Trade Union organization, has resigned this post and taken up some work in the consumers' co-operative movement. No explanation of this change is vouchsafed,

but the reason is not far to seek. It was explained to me by a responsible man in Government circles, who was wise enough not to hide the truth when it is sufficiently notorious, that Tomski "was not in agreement with the pace of industrialization, because he found the sacrifices it imposed upon the working class too great. So he had to go, because men are needed at the head of the trade unions who will champion the policy of the Government in front of the workers. For the workers are necessary in order to carry out this policy, and therefore they must be properly led and influenced by propaganda. In his new post he can still find scope for his great organizing capabilities without injury." Be it noted that it is not the working class which changes its leaders, but the Government, which makes the change in the trade union leadership without consulting the trade unions. The latter may only discuss the change after it has been carried out from above. Which is a strange comment upon the position of the workers in a State they theoretically rule.

These four snapshots of economic reality may illuminate the problems which teem here.

The New Situation

What has changed? In the course of a long interview I asked this question of a scholar, who is not a Communist, nor a Social Democrat, but who simply observes what is going on with the profound sympathy of a feeling man. I knew in advance what he would answer, but the promptitude of his reply to my question was very revealing. "Immense changes have taken place", he declared, "and the present cannot be compared at all with the past. You should have known the Russian industrial worker before the war, when he was verit-

ably nothing more than an exploited wage-slave, working terribly long hours, at terribly low wages, without education or the opportunity of education, oppressed and without rights. Compare this with to-day."

He was right. Compared with what was, the situation of the Russian worker has decidedly changed. Not so much yet from the standpoint of wages, which have remained relatively low, unless one takes into account the various social institutions which used not to exist and which have now been established. The most important and solid innovation is the reduction in working hours, with all the possibilities of human development which it involves. Otherwise life has remained bleak and proletarian, in its main aspects undoubtedly much bleaker and more proletarian than the life of the greater part of the German working class, for example. But even if this were not so, what would it indicate? American capitalism, for instance, has proved infinitely more capable of improving the material position of the worker, although on quite a different basis: the prosperous American worker with his house and his car seems like the wild dream of a social visionary compared with the Russian reality, where there are only overcrowded rooms and no private cars at all. The benefits which Bolshevism has conferred upon the Russian worker do not lie on the material plane to any marked extent. Paradoxical as it may seem to devotees of historical materialism, they lie mainly on the ideal plane. They consist—double paradox for those who believe in dictatorship—in an instalment of democracy which the Bolshevist régime is carrying out within a limited sphere. In this connection the contradiction between the actual dictatorship and the democracy which is assumed for the labour

relationship imparts to all existing things the qualities of problems.

First of all: however inadequate the levelling up of incomes has been so far, the levelling down of incomes has been extensively carried out. Of equality, as I have already mentioned, there is no question. It does not even exist amongst the working class. A calculation for the year 1926, which assumes the average wage for the whole of industry to be 100, gives for engineers a level of 117, and for textile workers a level of only 80·4—a proof, moreover, that the nominal observance of equality of wages for male and female workers has been very imperfectly realized in practice, because the female workers (who, in the opinion of authorities, are more skilful and more adaptable, even if more backward in respect of education) are mainly employed upon the less remunerated kinds of work. At all events, the fact remains that the variations in rates of wages, the differences between skilled and unskilled workers —a differentiation which at the beginning was largely obliterated—have been subsequently restored and even accentuated. And the distinction is still more marked between mere wage labour and the more skilled of other branches of activity. But a comprehensive levelling down of incomes, incomparably more far-reaching than in capitalistic countries, has in fact taken place. The income of a first-class technician amounts, on an average, to three times that of a worker. Considerable incomes no longer exist, and a skilled worker may earn more than a minister. The restriction which the members of the ruling party impose on themselves with regard to their own incomes is one of the most impressive symbols of the régime. This decision to live like the proletariat sets an example.

Works Democracy under the Dictatorship

Apart from the strong psychological impression which it doubtless makes, this institution produces a number of practical effects. The works hierarchy, as stated, is the same as elsewhere. But—and this is a vital distinction—it is not so inflexible. The manager exists, but the manager is a worker; and the worker (who belongs to the Party) may become a manager. The manager comes from the working class, and, except the supreme heads of Trusts, appointed by the Supreme Economic Council, has to work, to some extent, in co-operation with labour organs. Moreover, the workers have a chance of promotion, of which more later, and this chance is coupled with special advantages over all other sections, as they occupy a privileged position with regard to education for themselves, and particularly for their children, and are also favourably situated for promotion to responsible positions in economic as well as political life. More than this, what is actually happening in Russia is a continuous change from below to above. The enrolment of workers (who are politically sound) into the vast army of the governing bureaucracy is an everyday occurrence. But occasionally a manager, a trade union official, an officer of the co-operative or even of the political administration, is sent down to do practical work at the machine, if there seems to be any danger of his becoming snobbish or losing contact with the masses. This does not imply material degradation, as it does not, as a rule, appreciably reduce his income, and might even increase it. And it is not regarded as degradation or intended to be so regarded, inasmuch as desk-work is not esteemed more highly than manual labour, but rather the reverse. The notion of "prole-

tarians with starched collars", which in other countries often creates a real antagonism between the two sections of employees, is lacking in this country, where nobody wears a starched collar. Moreover, the worker is supposed to be the master.

This material levelling of variations in incomes and this psychological levelling of social distinctions are, however, supplemented by a complicated system of workshop democracy. Everything is designed to make the workers feel that the factory and industry in general are their own concern. Under capitalism they assist with their labour to create capital, which does not belong to them. Here they are creating it not for the capitalists, but for the community, for the State—and this State is supposed to belong to them. They are supposed to derive ideal consolation for the scantiness of their incomes from the fact that they are conscious partners in the social wealth they help to create. This idea is always being hammered into them by means of untiring propaganda. But it does find a concrete expression in the actual works constitution. Works meetings at least once a month, delegate meetings held even more frequently, and works councils (here called factory committees) are the instruments of this industrial democracy.

It is not complete, as the really vital decisions are vested not in these democratic instruments, but in the cells which co-exist with them in every workshop, and which consist of the members of the Communist Party who are employed in the workshop. The cell, to which, characteristically, no reference is made in an official work by J. Resnikov describing the general organization of the trade unions in the Soviet Union, is the real master of the workshop. The management may issue its orders, and these orders have to be

obeyed, but in the evening, at the cell meeting, the manager is no longer manager. He is a party member. He has to give an account of himself, face criticism, and frequently engage in discussions lasting for hours in order to carry his point. The manager of a workshop who cannot rely upon the support of his cell becomes impossible in the long run. He cannot hold his position.

The cell is therefore the supreme controlling authority. Subject to the limitation imposed by such authority, the works democracy, as expressed in works meetings, delegate meetings, and works councils, does nevertheless exist. The management attends these meetings, in order to keep the staff continuously informed of the position of the undertaking, the successes achieved and failures sustained, the tasks that are imposed and the measures that have to be adopted in order to perform such tasks, endeavouring by this means to gain the cordial co-operation of all who are engaged in providing for the needs of the works. Upon this cordial co-operation everything depends. If it be forthcoming, many things can be more easily endured. Does not this take up a lot of the management's energy and time? "To be sure", runs the answer, "but it pays." Does not this institution often degenerate into a mere talking shop? "Not so", is the reply; "and although those who are itching to be doing often find the numerous questions extremely troublesome, the questioner feels it to be a big step forward that he is permitted to ask a question at all." In this connection verbal discussions are largely supplemented by the written word. House organs for the larger works, posters in all workshops, and Labour correspondents in the daily newspapers, offer the widest scope for the exercise of self-criticism. They

serve to instruct members of the works staff, to encourage them and to remedy abuses, by means of a publicity which is often just, often very unjust, and occasionally lapses into denunciation. The same remark applies to a widely observed right of complaint which the workers enjoy, for which purpose special letter-boxes are fitted in the workshop. Into these boxes they may drop anonymous complaints, which are immediately remitted to the superior authorities, without involving any danger to the individual concerned.

Settling Wages without the Right to Strike

Despite everything, it goes without saying that the natural conflicts of interest between the establishment and the persons it employs have not been abolished. As would be expected, they manifest themselves first of all when the conditions of employment are being fixed. It is the everlasting antagonism of interest between employer and employee. Although the worker and the employee here do not have to deal with the private entrepreneur who, under capitalism, perceives the interest of the business to coincide with his personal, material profit, and who is expected to increase his capital and sustain and improve his competitive capacity, there is not much difference in the position of the economist who, when he seeks to conduct industrial policy in accordance with the collective economic policy of the State, encounters the social reformer as his opponent.

Wage increases are followed by higher prices for industrial products, by additional demands from the peasant for agrarian produce, by a rise in the whole level of prices, by a fall in the real purchasing power

of money, and consequently a decline in wages. This is the vicious circle which, in an economic system cut off from the world market and its automatic correctives, is difficult to break, but which, if tolerated, would render nugatory the whole plan of work from the start. It is therefore imperative to surround the working classes with a hedge, lest inopportune wage increases (over and above those covered by a simultaneous fall in costs of production) should upset everything.

The means to this end is an elaborately constructed triangle, comprising the industrial administration, the trade unions, and the Party. Labour conditions are settled from year to year by collective agreements between the industrial administrations and the trade unions. Consequently a great contest takes place every year. "The works administration", it is stated in the work by L. Ginsberg, from which we have previously quoted, "which holds in its hands the entire administrative powers of the undertaking, and seeks to derive commercial advantage from the operations of the business, with all its loyalty to the Workers' State, cannot always avoid colliding with the interests of individual groups of workers upon a number of questions. Such occasions arise all the more frequently because here too administrative specialization may lead some of its representatives to adopt a one-sided attitude in certain cases. The desire for greater productivity of labour, for discipline, for lower working costs, may often arouse justifiable, and sometimes unjustifiable, opposition and dissatisfaction among the workers, provoking disputes between the administration and the workers. To represent the workers upon the basis of properly understood class tasks is the main function of the trade unions." This sounds very familiar to the Western European. He feels that doctrinal instruction

is being imparted when he reads a few pages further on: "The administration as the trustee of the Workers' State and the trade unions as representatives of the workers pursue the same objects." Much more enlightening are some sentences which come next. "With us the terms of the (wages) agreement are determined by the economic potentialities and resources of our industry and the level of our economic life. As far as we are concerned, the (wages) agreement is expected to observe an equilibrium between the demands of the workers and the output of the business under given conditions." Again we cannot help saying: "But this is very much what capitalism says too." More important, however, than the formulation of general principles is the question as to how they can be translated into reality. And herein consists a vital distinction from private enterprise.

The Russian worker in State industry has in fact no right to strike. In private and concession undertakings "the strike may serve as an effective weapon to secure better conditions of labour", but in State industry "it is rejected by the trade unions as an agency for improving the position of the workers", that is, it is actually impossible. This would seem to be contradicted by statistics, for there were, in fact, in the year 1926 a total of 337 strikes, of which 114 occurred in private undertakings, 14 in co-operative, and 202 in State undertakings. And in the first half of the year 1927 there were again 122 strikes, of which 74 were in State and co-operative undertakings. But these figures unduly magnify quite small things, as the whole of the strikes in State industry were conducted by small isolated groups (the 74 strikes in the first half of 1927 involved a total of 6,543 persons, or an average of less than 90 for each strike), they lasted

as a rule only a few hours, or at most one or two days, and at bottom they were wild strikes, conducted without organization by small, isolated groups as the expression of some local dissatisfaction. They were not calculated enterprises upon which the trade unions embarked as part of their struggle for improved labour conditions. If the industrial administration and the trade unions cannot agree upon the revision of the collective agreement, there are several grades of arbitrating authorities. The ultimate court of appeal is the State, as embodied in the will of the ruling party, which imposes this will both on the industrial administration and on the trade unions. That the industrial administrations and the trade unions, notwithstanding the antagonism of group interests, are necessarily imbued with this party spirit in a similar way; that workers and workers' representatives also sit in the industrial administrations; that, on the other hand, the trade unions are not merely conscious of representing the social and political interests of the workers and employees, but at the same time feel themselves to be a part of the general economic administration and co-operating factors in economic policy; that, lastly, the ruling party itself is largely composed of workers and workers' representatives—all this facilitates the task of the State appeal court in reaching a decision. But with all these complicated sociological factors, which may not be ignored in the desire for simplification, the fact remains that the workers and the employees not merely belong but are subordinated to this intricately constructed mechanism. They are deprived of the opportunity of carrying on a struggle for the improvement of their working conditions in freedom, supported by the resources of their trade unions, with the legal weapon of the strike. A strike

would be illegal, it would connote repudiation of the State, it would spell revolt. But, as is obvious enough, the trade unions within the confines of the Bolshevist régime are not merely voluntary organizations of the workers, created by their voluntary membership and supported by their voluntary contributions (equal to 2 per cent. of their wages); they are at the same time the instrument employed by the State administration, of which they in fact form a part, to influence and guide the working class in its direction. And if, on top of their immediate social and political tasks, the trade unions take a large share in work designed to improve the educational standard of the workers, this is quite within their scope. "The trade union movement of the Soviet Union is by no means neutral in the political struggle of the working class. . . . The trade unions are the school of Communism."

The Trade Unions and the System

It is in keeping with this character of the trade unions that they should devote a considerable part of their energy and their resources to educational work among their members, to the dissemination of a general knowledge of the rudiments of reading and writing, to the technical instruction of their members, and to educating them to appreciate the advantages of culture generally. Above all, it follows from the peculiarity of the task imposed upon the trade unions within the confines of the Bolshevist régime that they should endeavour to enrol every person who is eligible for membership. The Russian trade unions do not desire to be merely an organization of an aristocracy of labour, as most American trade unions still are at the present time. Nor is it only the most enlightened and the most

disciplined section of the workers and of the employees which belongs to them, as is still the case to a large extent with the German trade unions. They aim at including the whole class of workers and employees, in which they have achieved a large measure of success. On April 1, 1927, 94 per cent. of all persons employed in workshops and offices belonged to trade unions (only among seasonal workers and land-workers had less headway been made), and since the end of 1922 the total number of members has been continually increasing, from $4\frac{1}{2}$ millions at that time to 11 millions on October 1, 1928.

This object of securing a 100 per cent. membership is favoured by the structure of trade union organization, which differs in certain fundamental features from what is usual in the West. The Russian trade unions are not divided according to trades, as are the German, for example, which results in our case in the staff of an undertaking being represented by different vocational organizations. The Russian trade unions are divided according to the different branches of industry (a total of twenty-three unions). All the persons engaged in a particular branch of industry are comprised, as already mentioned, within the same trade union, the employees, including the higher technical and administrative staff, as well as the workers in the different departments of the business. The only persons excluded from the trade unions are those to whom the trade union denies the right of membership, that is, those who are politically disfranchised. All the others are eligible for membership, and are expected to join. And this system of industrial instead of craft unions naturally facilitates the enrolment of members; those who wish to stay outside are excluded from the works community, and render themselves, in the factory,

politically suspect. Above all, there are very real direct advantages which the trade unions secure to their members, and which the unorganized are denied. The fixing of labour conditions in the collective agreements applies equally to all, organized and unorganized, but it is very much more difficult, and often quite impossible, for the unorganized to obtain employment. The trade unions take care that vacant situations are first offered to trade union members, when they do not stipulate that the unorganized should simply be left out in the cold. The trade unions likewise take care that dismissals should in the first place affect the unorganized, just as in the event of reductions of staff they afford protection to the organized, by giving special preference to those who most need the opportunity of work from the social point of view, such as widows with children and the like. Moreover, membership of a trade union is usually a condition of membership of a consumers' association, which the unorganized often cannot join, while those who are excluded from trade unions on political grounds cannot join them at all. And this means that they are unable to obtain the goods distributed at low prices by the consumers' associations, and must pay the considerably higher prices demanded by private trade, so far as the increasing restrictions imposed upon private trade do not render it impossible to obtain them at all. It is therefore very suggestive that during the first period of the reign of the New Economic Policy the number of trade union members revealed a sharp decline, from $8\frac{1}{2}$ millions of members on July 1, 1921, to $4\frac{1}{2}$ millions on October 1, 1922. At that time, when private trade was expanding, this vital incentive was lacking, but it operated again when measures were taken to supplant private trade, to favour the co-operatives, and to

introduce rationing by means of the card system. Persons who, instead of the cheap, rationed, standard bread, must buy the admittedly superior but often twice or thrice as dear white bread purveyed by traders, must also pay a special tax, which weighs very heavily upon the low nominal incomes. Consequently, this is to-day the most important means, actually a coercive means, of increasing the membership of the trade unions. And, in addition, there are other things which are only to be had through joining trade unions: the benefit of their emergency funds and other social institutions, of their educational institutions, of cheap visits to theatres and concerts and cinemas, and other things of the same kind.

The object of this not express, but actual organizational coercion is a political one: the enrolment of the politically indifferent, who still form the great majority even among the workers, the employees and others engaged in urban vocations, within the collective machine, and the extension of the influence of this machine, its social, economic, and political influence, amongst those who are outside the party. The more complete this process of organization is, the more ample are the opportunities of exerting this influence and of actual guidance. That is the object. Again, the achievement of this object is facilitated by a very elaborate and very deliberately constructed organization.

First of all, an extraordinarily frequent change of persons, systematically introduced at every election to the various authorities, is designed to protect the organism from ossification, to guard against the dangers of bureaucracy, and at the same time an annually increasing number of persons is passed once through this school of co-operation. Spontaneity is the watch-

word. It begins in the works meetings, in which all take part, and as everything cannot be settled there with everybody, so it is supposed to continue in the manifold committees and delegations of the various authorities, where as many persons as possible have an opportunity to exercise in some degree the functions which develop their personality and heighten their sense of co-operation; and by reason of the constant changes, the number of those who have once taken part in such functions is always increasing. But the second watchword is: closer contact with the masses. And this means that instead of securing to members of the Communist Party the strongest numerical preponderance in the lower authorities, deliberate efforts are made to attract the largest possible number of persons outside the party. The risk that they might become dangerous is provided against by the party cell in the works, which has everything under its control and exercises a very strong invisible influence upon the nomination of non-party candidates. Moreover, the higher the authority, the stronger is the representation of party members therein. The figures are very interesting. According to Resnikov, at the beginning of 1927, 71·3 per cent. of the members of works councils were non-party, 57·2 of the members of the branch executives, and 40·5 per cent. of the members of the departmental executives; of the delegates to the Eighth Congress of the Soviet Union, which was held in Moscow at the end of December 1928, only 27·5 per cent. were non-party, while at the previous congress the proportion was 14 per cent. Such is the structure. Its coping-stone is what party doctrine ingenuously describes as "democratic centralism", which is enforced in a very practical sense by the centralization of financial administration. The strict trade union disci-

pline, in accordance with the decisions of the higher trade union authorities, is binding upon all the lower authorities. The abdication of Tomsky, mentioned above, supplies a striking confirmation of the principles underlying this structure. The enforcement of the will of the ruling party is manifest in this act.

What this Labour constitution discloses is an ingenious combination of democratic and dictatorial elements, of the political aim of the régime with economic and social functions and organizations, of self-government and oligarchy. It is a far journey that has led to this enlargement of the system. And the journey is by no means ended. It is still proceeding, Whither? At least, to an ever stricter subordination of the working classes to labour discipline, which opens up still wider vistas. Is not a new social upper class above the working class in process of gradual formation? Indications which point in this direction undoubtedly exist; and it makes little difference that this new upper class has grown out of the working class and is constantly being recruited from its ranks. Lastly: is there not forming above the working class a political ruling class, which by virtue of its innate laws is gradually being impelled to impose its will upon the working class in the name of political expediency? Evidence of this tendency undoubtedly exists. These questions go to the roots of the political dictatorship and its future, of which we shall have more to say later.

The New Land Law

The transfer of the land to the peasants, the extirpation of the remnants of feudalism, the abolition of peasant debt-bondage, constitute the great historical achievement of the Russian Revolution. Seventy-five million hectares of land, which belonged to the Imperial Family, the revenue authorities, the great landowners and the Church, and a further 65 million hectares of large peasant properties, making a total of 140 million hectares of agricultural land, were transferred by the revolution to the hands of the working peasantry, according to official Soviet calculations.

The whole of the soil was nationalized, declared to be State property, and all private property in it was abolished. Also all transactions which overtly or covertly violate the principle of the nationalization of the land (purchase and sale, mortgage, gifts, testamentary dispositions, arbitrary and illegal exchange of land, and more of the same kind) are declared invalid and threatened with punishment. But every citizen of the Soviet Union who wants to till the soil with his own hands is entitled, without distinction of sex, of religion, and of nationality, to receive land for this purpose through the legal forms prescribed by the federated republics. For this purpose the municipalities keep land reserves from which they assign portions of land to the recently immigrated landless; the Volga districts, whence a considerable emigration to North and South America used to take place, maintain such reserves for those of their sons who have emigrated in this way, so that a home may be awaiting them against their return. On the other hand, former property

owners and other landed proprietors, who have been ejected from the property which used to belong to them, may not have assigned to them land situated in the governments and districts where they formerly held land. A redistribution of land consequent upon a change in the number of souls, which was made very often in the early years of the revolution, is now to be curtailed, and only to take effect about once in fifteen years. Leasing is permitted if the cultivator is driven to this step by such misfortunes as crop failures, damage by fire, cattle plagues, or in such contingencies as inadequate equipment or shortage of labour, owing to death, mobilization, public service, or transfer to wage labour. Progressive leasing is altogether prohibited, and no lease may be granted for more than six years. In the case of longer leases, or if the land should remain out of cultivation without good reason or through voluntary renunciation, neglect of the farm, or settlement in another place, the right to the usufruct of the land is forfeited.

Peasant Emancipation and Land Shortage

Such in broad outline is the new Land Code. As will be observed, it confers full right to the soil upon those who want to cultivate the land with their own hands and with the labour of their dependents. Only $2\frac{1}{2}$ per cent. of cultivable land is held by the State, $97\frac{1}{2}$ per cent. being entirely available to the peasant population.

But when this gigantic transformation had been carried out, when the peasants really secured the land for which they had hungered, when everything had been divided equally in the various districts according to the number of souls, it transpired that the one vital

and fundamental fact remained entirely unchanged: the scarcity of land and rural overpopulation.

This fact, which can hardly be realized at first glance, is explicable when it is remembered that before the revolution a very large portion of the huge private estates (competent judges estimate it at two-thirds) was actually given over to peasant farming. It was leased to the peasants, and the great landlords mainly derived their incomes, not from direct operations on the land, but from the rents which the peasants hungry for land willingly paid.

Thus the Russian peasants during the revolution —just like the French peasants in 1789—might well burn down the rulers' seats, drive the landlords away, and suspend the payment of rent, but they could not still their land hunger upon the soil they had hitherto occupied. And the land hunger is even on the increase, as the rural population itself is growing and growing. The large number of unemployed in Russia, despite expanding industrialization, is to be largely explained from this fact: whilst a number of the villagers who used only to perform seasonal work in the town now find permanent employment in industry and therefore settle in the towns, losing contact with the country, other large contingents of rural inhabitants migrate to the towns in the quest for work because the land does not support them. We in Germany were acquainted with the same phenomenon of a large superfluity of men in the first stage of industrialization during the seventies and eighties of our development. At that time hundreds of thousands of Germans annually emigrated. But America, which then absorbed these hordes of German emigrants, is not available to-day for a mass emigration from Russia. And the Soviet State itself puts obstacles in the way of emigra-

tion, notably in the case of peasants of German stock. It does not want them to carry away capital and knowledge, nor does it desire to increase the number of emigrants who are agitating against it from without.

In Russia there is another way of escape for the superfluous rural population, a way which leads to the vast still unsettled and unexplored territory of the huge country itself. And this path is in fact being trodden; a great peasant migration eastwards is continually taking place. But this migration is not regarded as an object to be encouraged. It does not figure among the primary aims of Bolshevism, and the immense capital sums which it necessitates (for exploiting the land, for railways, for the equipment of new farms, and for everything else) are not available, because capital accumulation and man-power are being drawn upon to the point of exhaustion by the policy of industrialization. So another way is preferred, especially as after the devastations of the war and civil war years there is still much uncultivated land even in the settled districts which has long been simply lying fallow, and this way consists in the improvement of agriculture and the intensification of peasant production, in order that the relatively scanty land should provide the people with more employment and yield ampler nourishment. As agriculture is still carried on in Russia to-day, it does not as a rule provide the people with employment for more than a portion of the year, and many judges state that it does not keep people busy for more than a quarter of their working time. Decorative handicrafts, weaving, lace-making and the like, or industrial domestic labour, are resorted to in order to eke out the peasant's income. But these supplementary occupations are not sufficient, and an industrialization which is being carried out with doctrinaire consistency

even threatens in places to destroy these opportunities, by establishing factories which supplant these domestic handicrafts. That this industrialization in other places gives the peasant an opportunity for seasonal work, for cartage and similar things, is a poor substitute for this destruction of a peasant form of life which is based on old tradition.

The Elevation of the Peasant

On the other hand, the Bolshevist régime is actually doing very much for the improvement and intensification of agricultural work. Better tillage and selection of seeds; mechanization of agriculture; the spread of general knowledge and technical knowledge over the country-side; the training of persons with an aptitude for leadership; the drafting of college-taught agronomists to assist peasant farming; the application of the co-operative principle in every sphere, even for the better production of milk and breeding of beasts; the establishment of abattoirs, of bacon factories for the standardized preparation of ham after the American model, and preserving factories for the better utilization of meat; the erection of sugar factories, refrigerating plant, cheese factories, flour mills and oil mills, also for the better utilization of agricultural produce—all this and much else of the same kind is carried out with great zeal, often with too much zeal. The American tractor is the favourite fashion, and it is frequently introduced where, in the judgment of experts, the ox would be a very much better and more natural tractor, because he costs nothing for repairs and involves no overhead charges, while after the harvest he can be sold as meat. Electrification and the consumption of coal are being vigorously advocated

in districts where manure that is not needed for the enrichment of the soil would supply the cheapest fuel, just as where, shaped into tiles and dried, it furnishes to a large extent the usual primitive building material. So it is with many other things. What is so frequently absent is the faculty of distinguishing between what would be perfectly in order at a later period and what is most urgently required. Intricate machines are supplied and remain partly unused, whilst the most necessary things are wanting—iron for bracing wheels, spars, and nails. The shortcomings and misdirections of an economic system which is centrally managed from above are continually manifesting themselves.

Worst of all is the slowness with which the redivision of the land proceeds. The old Mir constitution, which provided for a continuous division of the land, resulted in a dismemberment of the soil which is appalling. Everybody is supposed to receive a piece of the various qualities of the soil. Consequently the land is divided into small particles, and the position is worst in the giant villages, which were formerly allowed to expand for political reasons, so that they could better defend themselves as compact national units against neighbouring hostile nationalities. It is no rare thing for a peasant to have to traverse nine to twelve miles in order to reach some of his cultivated fields, with the natural consequence that the strips of land at the circumference of the village land are the worst cultivated. I have seen villages on the Volga numbering 10,000 and more inhabitants, where the distance between the peasant's house and the field is as much as 45 miles. In such cases cultivation is only possible at all by the peasants erecting primitive summer-houses on the outlying fields, whence to plough the land and reap the harvest. Rearrangement of the land

is therefore a task of prime necessity, but it makes very slow progress.

All these things are serious defects, which are traceable to the complete neglect of the cultivation of the land and the utter failure to spread civilization to the country-side under the Czarist régime, occasionally accentuated by the narrow outlook of the new régime. Nevertheless, the constructive work which is being undertaken with great zeal to remove these defects far outweighs any harm that has incidentally been wrought. Illiteracy is gradually disappearing even on the country-side. The damage caused by the war and the civil war is being repaired. The millions of Russian peasants who were in captivity in Germany and Austria have returned with new knowledge and new vitality. The revolution has shaken this enormous population out of its lethargy, and is laying the foundations of new and improved economic methods.

Discouraging the Peasants

Nevertheless, there exists at the present time considerable ill-humour among a large section of the peasantry, and agricultural production to-day often finds itself in a state of discouragement which paralyses and throws it back. Heavy crop failures in 1921 and 1922 in the Volga district, in the last two years in the Ukraine, the Crimea, and in the Caucasus, have followed one another—acts of God, you may say, but this is not a sufficient explanation, just as the fact that Russia to-day is no longer the great grain-exporting country she was before the war, and is not likely to regain this position in the immediate future, cannot by itself alone be regarded as a decisive test. It is well known that Russian exports of grain before the war were hunger

exports, imposed by the high taxes and other burdens which constrained the peasant to sell grain while suffering want himself.

It is to this circumstance that the present rulers appeal by way of excusing even the most widespread difficulties which find sharp expression in the bad provisioning of the towns. The peasant, so runs this explanation, is no longer content with the frugal nourishment of pre-war times. He has considerably increased his own consumption, notably of meat, milk, butter, and eggs. Thus he produces less than formerly for the market, because he consumes a larger part of his produce himself. This is the natural consequence of the division of the land, which has adversely affected those sections of agrarian producers who were primarily in a position to supply surplus produce, that is the large estates and the large peasant farms. It is also due to the commodity scarcity, which makes it impossible to supply sufficient industrial products to the country to ensure ample supplies of food for the town. As the peasant cannot obtain the articles he wants, he just consumes his own foodstuffs himself.

The last-mentioned fact points, of course, to a strong and, to a certain extent, instinctive distrust of the régime which is cherished by a large section of the peasantry. For even if the shortage of commodities be accepted as an inescapable evil—and this is only partly true as regards the actual extent of the shortage, because it is accentuated by the economic policy of the régime, which aims at an artificial stimulation of the machine-making industries to the detriment of the manufacture of articles for immediate consumption—the peasant still has the alternative of saving the money received from the sale of his produce. If he prefers to consume this produce himself, it must be because

the value of such savings appears problematical to him under the present régime. Above all, the peasant has the alternative of "natural accumulation", that is, he can increase his livestock and improve the cultivation of his soil, which are forms of private peasant capital accumulation upon which, as previously shown, the five-year plan is largely depending. But it is just these things that are so frequently lacking to-day. Whereas up to about 1927 there was on the whole an upward movement, in the last two years the case has been the reverse, a considerable section of the peasantry having restricted themselves to supplying their own needs. "As everything which I sell renders me suspect, I prefer to raise only as much as I need myself." "If a peasant loses his right to vote because he keeps two cows, he kills one in the hope that he will recover this right." "Why should a man build, enlarge, or renovate houses, when he only thereby increases the danger of having people quartered on him, or of having the houses taken away altogether—it is preferable to let them decay." These are expressions which I often heard from peasants in various parts of the country. And the widespread mistrust, the deep-seated ill-humour among the peasants, is perhaps best illustrated by the words of a peasant woman, who told me, "First they made the rich poor, then the middling were pulled down, and at last we too."

The peasant on the whole feels oppressed. This certainly does not mean that collectively he is to-day deliberately and resolutely opposed to the régime. It does not even mean that in an emergency he would leave the régime in the lurch or assist to overthrow it. The masses of poor and middling peasants are assuredly conscious all the time that it was the revolution which gave them the land. And nowhere did I find this

feeling more distinctly expressed than among the German peasants on the Volga. In that district the Stolypin reform had been carried out with exceptional rigour. This reform aimed at aggrandizing the large peasant by assisting him to buy up the land of the poor peasants, who would thereby be transformed into proletarian land-workers and future industrial workers. Some of these poor peasants described to me what used to happen at that time. The rich peasant invited the poor peasant to his house, plied him with alcohol, and then cajoled the head of the family into selling his own share of the land and that of his sons, the family's sole property, at a ridiculous price. The small peasant then returned home, drank away the money he had received, and then sobbed out: "My poor children, you have nothing more now." The former common lands which were then divided up were marked by posts to indicate that they now belonged to the large peasants. And it was to the cry of "Down with the Posts" that these German peasants carried out the October revolution. "I returned from the war just in time to take part in this pulling down of the posts, and to take back the land which my father drank away", one of these people grimly remarked to me. The implacable rancour of the disinherited was as fresh in their demeanour and attitude as if the events had only happened yesterday. And this is undoubtedly the feeling among poor and middling peasants throughout the country. The fact that during the civil war the White Generals, where they gained the upper hand, made haste to return to the landlords the land which had been divided, is remembered as vividly as if it were yesterday. The peasants will not let the land be taken away from them again, and they will tolerate no régime which attempts to do so. But as long as they do not feel this threat

hanging over them, they naturally think more about their daily privations. That is the insecurity, and in many districts perhaps even the danger which to-day faces the régime, if good harvests do not come to smooth its path. Ever since 1927 the peasants have been feeling these daily privations more acutely, and they are manifestly due to the policy of the present régime.

The Campaign against the Kulaks

The immediate target of the policy of oppression, which is carried out with systematic and deliberate harshness, is the large peasant, the Kulak. He is not, as the designation seems to imply, one who possesses more land than the others, as such do not exist. None may have more land than is equivalent to a uniform share for each member of a family. The Kulak is now even forbidden to lease land, which is otherwise permitted under certain restrictions. What then is a Kulak? The legal definition runs thus: a person who carries on trade or speculation in addition to his husbandry, a person who derives capitalistic profit from the possession of mills, machines, draught cattle, and the like, by allowing these means of production to be worked by others for payment, that is, for an entrepreneur's rent, above all, a person who regularly employs alien paid labour-power above the very narrowly defined limits.

In other words, the Kulak is the most industrious, most progressive, and most enterprising peasant. If development were allowed free scope, a very dangerous consequence would be likely to arise. As in the period after the Stolypin reform, the Kulak would buy up large blocks of the land belonging to the small peasants,

perhaps to the advantage of production, but to the detriment of the people. That would constitute an economic revolution, and it could not be permitted for one moment. Under the Bolshevist régime the Kulak must therefore be suppressed, supplanted, and ejected. Not because his productive capabilities are denied (these are clearly recognized, and their renunciation is deliberately taken into account as part of the cost of the still continuing revolution, as costs of socialist reconstruction), but for the sake of principle. For the Kulak is the germ of a new capitalistic development in the country, and if he be allowed free scope even within the limits of the prevailing land laws, the communistic goal in this predominantly agrarian country would recede farther and farther into the distance, and Bolshevism would sooner or later be condemned to failure. The Kulak is, moreover, the germ of political resistance to the régime, and his political influence in the village is still very great. Consequently, the economic basis on which this political influence rests must be taken away, and the political influence of the Kulak himself must be broken. Such is the logic of the system, which works all the more cruelly in practice as the local authorities of the village are simply allowed to give free rein to their instincts of hatred and envy of their more prosperous neighbours. The system directly hits the more prosperous, the more efficient, and the more successful among the peasants. Its methods are first political disfranchisement, which brings with it serious economic injuries, obstacles to the children's education, and other formidable setbacks; and secondly, a differentiation of treatment which is tantamount to arbitrary plundering, for instance, in the collection of grain and the imposition of loans, and particularly with regard to the levying of taxes. The

general agricultural tax favours the good and bears heavily on the bad farmer, as it is based not upon actual incomes, but upon incomes that are uniformly assessed according to the size and quality of the land, the livestock, etc., with an incidence sharply rising from 2 to 5 per cent. The Kulak, however, is liable to a special tax, which may assess his income as much as 75 per cent. higher than these estimated bases of income, and which falls with crushing weight in the steeper parts of the graduation. In addition, further taxes are imposed upon special incomes from trading operations and other non-agricultural sources of supplementary income. The result of all this is that from 4 to 5 per cent. of the farms bear no less than 30 to 45 per cent. of the total taxes raised. Moreover, in the villages there exists the principle of self-taxation, which means practically the opposite of what the name implies. For the establishment of schools, municipal buildings, and similar things, the village is authorized to raise funds over and above the general taxation. The duty of assessing these special taxes, however, is imposed upon the village Soviet, which proceeds with particular satisfaction to clap these assessments upon the small number of Kulaks. If the Kulak cannot discharge the obligations imposed upon him, he must sell one piece of his property after another, and by means of the arbitrary limitation of bidders at the auction the village Soviet exerts its influence to ensure that such sales are often nothing less than a compulsory surrender of property. Against wanton treatment the law provides the remedy of lodging a complaint with the higher administrative authorities. But as to this it was a good judge who frankly quoted to me a Russian proverb, which runs: "If the calf kick me, shall I complain to the cow?"

The Kulak is in fact defenceless. And it is not to be wondered at if, for his part, he resists with every means in his power, being aided in this by his traditional influence in the village, which is still great. However much the Bolshevist Press may exaggerate for propagandist purposes, what goes on is actually a permanent little war.

The Peasant and Collectivization

But it is not the Kulak alone who feels oppressed. The mass of the peasants are in like case. They complain of the burden of taxation and the price-shears. Official apologetics disputes the justice of these complaints. It points, and with perfect truth, to the enormous burdens which the peasant had to bear under Czarism, not only in taxes, from which the poor peasants, numbering about a third of the total number of peasant farms, are now freed, but in rents (the pre-war amount of which is estimated at 600 million roubles), mortgages, and other charges, which the new régime simply wiped out, not to mention bribery payments and legal costs. It even denies that the price-shears have as serious an effect as is alleged, and asserts that in places these effects are entirely absent. In this it is certainly wrong. The official prices for commodities needed in the country mean nothing if the peasant cannot obtain sufficient supplies at these prices. But the low prices fixed for the peasants' produce are real enough, as the peasant cannot fight for higher wages like the worker can through his trade union. And he must sell at the Government's price because the Government, by the restriction of private trade, has closed nearly all the avenues through which he can dispose of his produce. The peasant is therefore debarred from exercising

economic initiative, and it is this, above all else, which oppresses him.

Last, but not least, there is the new agrarian policy inaugurated since 1927, which is designed to incorporate agriculture in the great process of socialization, and which favours the new collective farms in preference to the individual peasant as a powerful means of pressure in this direction. The differentiation originally exercised to favour the small and middling peasant against the Kulaks is now being extended to the detriment of the whole of the peasants working on their own account. It is true that fresh attempts have been made to give the middling peasant greater security, because the authorities are alive to the serious consequences which flow from his impoverishment, by positive measures of encouragement, by fiscal relief to peasants who put more land under the plough and make the best use of the seeds, and even by guaranteeing a stable price for several years. But the confidence once destroyed cannot so easily be restored. The distrust remains. And it is receiving fresh stimulation from the vigorous policy of collectivization.

Communal "Cominterns"

The victory of the Bolshevist Revolution, for many persons a day of disaster and lasting distress, was hailed by others as the advent of the millennium. There were then living in America a number of Hungarian Swabians, who had emigrated thence from their native land some fifteen years before, and as faithful Communists were no more contented in their new home. They then set out for the land of promise. Joined by others, including a troop of Siberian peasants who had the same end in view, they made up a company of 500 people, belonging to seven nationalities. The State assigned to them about 2,000 hectares of nationalized land, upon which they proceeded to regulate their lives in accordance with the letter of the doctrine.

And this meant that all things were to be in common: labour, houses, eating, life, and even children. The children are educated together in a common children's home, at first in the nursery and then in the infant school, for which nurses and teachers are maintained at the common charge, and then, until the fourteenth year, in a school comprising five classes, which is also attended by the peasant children of the neighbourhood. Only on Sundays, when the staff of the home has a holiday, do the children spend the day in their parents' houses. When the children are older their education is continued at the common charge of the community in homes containing higher grade schools, situated in neighbouring towns.

The adults eat in a common dining-room, and their dwellings consist, according to the size of the family,

of one or at most two rooms in farmhouses on the old estate, which has been laboriously restored after the devastations of the civil war. Also they have a club, on the model of the big Labour clubs, with a modest theatre, in which they act themselves, with a small library and a reading-room, for they regard the continuance of their education, the combating of ignorance, and their growth in moral stature through better knowledge as the most important task they have to perform. Even this measure of communal life did not satisfy them. They averred that their lack of accommodation obliged them to refuse the new members who were always presenting themselves. Later on they "would" build a great communal house to unite them all under one roof, with rooms set apart for the adults, a much finer club for the common life, etc., for which purpose there was already in prospect a State credit of 500,000 roubles, and they intended to begin in the autumn with the establishment of a tile-works.

In another sphere, however, they had been obliged to take a retrograde step of a vital character, as they reluctantly admit. Originally they had a common treasury, which was administered on communist principles, but they were subsequently obliged to resolve to introduce a monthly wage, proportional to individual output, "in order to stimulate zeal and increase production". Payment in kind and expenditure upon the children and for educational progress continue to be a common charge, while cash wages, varying between 19 and 32 roubles per month, according to the work performed, serve more to supplement the provision of clothing and the like. That which a member refrains from consuming stands to his credit in the community, and when he leaves he receives the balance standing to his credit, plus the amount credited

to him on his entrance in respect of any stock which he brought with him.

These people are not flourishing. Many of the things they do testify to the experience brought back from America: an extremely modern cowshed, which many modern State farms are without, bacon manufacture, and so forth. But they have suffered two successive years of heavy crop failures. The State is now supplying them with seeds and fodder (no more) for the cattle, whose numbers they have drastically reduced. They have contrived to make ends meet with the produce of the orchard and with the work they perform in their two mills for the neighbouring peasants. In spite of this, they are planning for the future and believe in it. And they point proudly to the stimulating example which they have given to the surrounding villages, which have been doing even more badly on the lines of private enterprise, and which are slowly but surely copying their methods.

That is a typical example of the numerous agrarian communistic experiments undertaken in the first period after the Bolshevist Revolution upon the spontaneous initiative of people who now desired to live in their own way in accordance with the text of the doctrine—simply from the stimulus of the idea, and not from the impetus of the Government, although approved and encouraged by it, without a definite plan, and without a deliberate policy. They were experiments of individuals, of which the history of social Utopias supplies numerous examples in Europe and America during the last century, and of which there were isolated cases in Germany after the revolution. Then there were the settlements of followers of Tolstoi and various religious sects in Russia. During that first period in Russia they suffered the same fate as elsewhere. After a brief interval, the

great majority of them disintegrated, because the power of the idea waned, because human egoism proved the stronger force, because they did not offer any solid advantages to their members. The New Economic Policy, from 1921 onwards, did nothing to arrest this decay, inasmuch as it favoured the individual peasant and his personal economic efforts in order to obtain the maximum production from the private enterprise of the peasantry. The extension of the co-operative principle (co-operative marketing, co-operative credits, etc.) on the German and Danish model, for the support of the individual peasant, seemed to the Nep to be the proper path even for Russia.

Types of Collectivization

But a small minority of the communistic settlements described above has survived from this early period. The second period of agrarian reform on communistic lines dates from 1927. This time, in contrast to those early attempts, it is a question of systematic State action, planned on generous lines and carried out with the aid of immense resources. Technique has supplied the State with the strongest propagandist for this cause, the tractor. If the tractor were given to an individual, it would be the Kulak in the first place who would make use of it and derive benefit from it. The authorities adopted the opposite course. It was given to co-operative associations, with the stipulation that preference should be given to the poor and middling peasants. Or tractor stations were established, central depots, at first with 20 and 30, but recently on very much larger lines with 200 and 300 tractors, equipped with all accessories for repairs, and, above all, with technical and agronomian staff. These tractor stations

then concluded agreements with the villages in their district, by virtue of which they uniformly plough the land for them and reap the harvest.

This is a first step of the greatest importance, as these agreements of the tractor stations provide for the uniform supply of the selection of seeds on the one hand, and for the assignment of a portion of the harvest as payment for the assistance rendered on the other hand. Thus the central directing power of the State grows. It extends from here simultaneously to the organization of tillage, by utilizing the uniform cultivation of the soil to enforce uniform policies with beneficial results. Individual tillage is supplanted by the community and the rules it imposes.

From this basis there is now being evolved, ascending to higher and higher stages of collectivization, three types of collective agricultural operations: the co-operative association for the common utilization of the soil, the artel, and the commune. In the first and simplest form the co-operators do nothing more than put their land together. They cultivate it in common and divide the profits according to the area of land which each individual has contributed, the services in draught cattle and machinery he has rendered, and the number of hours he has worked. Everything else remains individual property and use: house, implements, horses, cattle, garden; in this case the individual works and lives by and for himself alone as before. The artel, the next highest form, applies the communal principle not only to the land and its cultivation, but also to all other branches of farming operations. The entire farm, including all its subsidiary branches, is brought into the co-operative association as its common property. Work is co-operatively regulated by an executive committee and by a meeting of co-operators.

The annual gains are then divided in a manner similar to the procedure adopted in the first stage, except that a share is retained by the association as a reserve fund to consolidate the general position, to increase the number of livestock, and so forth. Only in their own houses do the families still live and consume upon an individual basis. In the third phase, the commune, this last remnant of individual existence, is abolished. There the people live together in great common houses, which leave to the individual nothing more than sleeping accommodation, his waking hours being passed in common rooms, common dining-halls, reading-rooms, and theatres. The old folk, the sick, and the nurture and education of children are provided for out of the proceeds of common labour. Also in other respects consumption is very largely a common act, and what the individual receives to supply his requirements of clothing and the like is little more than pocket-money. The whole of life is collectivized, the individual is abolished, has vanished. But one thing is as strange as it is characteristic: while money itself is not absolutely abolished, money calculations are made with great exactitude in all these three types. The work performed by the individual is measured in money, and what he receives from the community, including payments in kind, is similarly computed. Everything is booked, and at the end of the year the account is balanced.

Giant Communes

This is the scheme upon which collectivized reorganization is based. In practice there are manifold intermediate types and deviations, which make considerable concessions to the needs of life. I have seen artels in the Volga district, for example, where the members

purchase and retain cattle, poultry, and similar things with the profits assigned to them according to the productive capacities of the family. On the whole, the tendency is distinct enough. It is strengthened by the policy of amalgamation in order to form ever larger units, which is pursued with equal energy. Whilst the agrarian communistic settlements of the first period did not number more than a few dozen and comprised a few hundred persons at the most, the present tendency is to amalgamate as many villages as possible, together with their lands, and, in the higher stages, to unite their entire populations. In one direction the present policy abolishes the scattered units of individual ownership by amalgamation, while in another direction it splits up the giant villages, of which the fragments serve as a basis for these collectivist organizations.

Thus the plans and the experiments contemplate larger and larger units, of 10,000, 12,000, and 16,000 hectares, for which gigantic projects, involving fundamental changes in every aspect of life, are being devised. There is, for example, in North Ossete an area of 16,000 hectares, a valley enclosed by mountains. The village settlements are situated in the mountains, owing to the proximity of water, and the peasants have a journey of 10 miles to their fields. The economic conditions are wretched, and the harvest is poor, much below the requirements of the 16,000 persons, including 8,000 adults, who live there. Now the plans for this Digorski scheme provide for conveying the water from the mountains through a tunnel into the valley, to enable the people to settle there, and incidentally providing electrical energy for the community. Three villages will then be laid out. But as the soil when cultivated by machinery will only provide work for less than half of the adult labour-power, it is intended

to supplement wheat-growing by dairy farming, which would employ a further quarter of the existing labour-power. And finally, it is proposed to establish two factories (one for light furniture and the other for wine-casks), which would give employment to the remaining adults. The growing of vegetables, the planting of orchards, a larger area under wheat, and improvements in agriculture generally—all these things together are expected to increase unitary output two and a half to three times. This is an immense project, requiring, of course, many years and a very large capital outlay for its execution. Yet there are already more than a dozen of such plans alone. And the number of villages which, without being completely reconstructed, have already been reorganized on collectivist lines, or will be so in the near future, is incomparably great. The number of collective economic units of all three types, including even the smallest communities, is now 40,000, comprising more than 550,000 peasant farms, with an estimated sowing area of $2\frac{3}{4}$ million hectares and a population running into millions.

The Reluctant Peasant and the Pressing State

The policy of collectivizing agriculture, especially in its simpler manifestations, finds in Russia a soil more propitious than elsewhere, as common property in land was deeply rooted in the old village constitution, and was by no means eradicated from the minds of men by the Stolypin reform. And there was something else besides. Although the poor peasants and the land-workers, the Batraks, did in fact receive their share of land through the revolution, being without horses, without stock, and without cattle, they were frequently

unable to cultivate it themselves, and fell into the habit of allowing peasants more favourably situated to cultivate their land in return for a share of the harvest, whilst they themselves worked for wages. In this the system perceives an opportunity for exploitation by the Kulaks; instead of having to submit to this fate, the collective principle shall be invoked to give the poor peasants the opportunity of creating an existence for themselves on the land, a more dignified existence, with the prospects of a future. And, in perfect harmony with the political tendencies of the régime, it is these land-workers and poor peasants who are most amenable to this policy of collectivization. The middling peasant, grown prosperous on his own farm and from his own economic efforts, is much less tractable. But generally speaking, in all classes of the peasantry the psychological resistance is great.

"I want to know for whom I am working, whether for myself or for a wage, but there is no sense in working so that others may be idle", a simple land-worker said to me. And a small peasant expressed the same sentiment in other words, out of the practical experience of his life. "Co-operatives are good, as they assist the peasant and leave him his freedom; but to throw everything together, to renounce all property, and then rely upon what others do in places where the going is hard, to work peacefully together in a family without quarrelling, is a hard feat." In fact, a large number of collective farms formed in the new period of agrarian communism are always collapsing. The members are unable to agree upon any method of calculation when one member works well and another not, when one member has an adult son who does much work and another has a little son who is unable to do much work, when one member has a fine span

of oxen and another has none or a bad one. Such matters give rise to everlasting quarrels, which are also provoked by the regulation of the work. If a fresh piece of work has to be started, a meeting of members is convened, and in default of an agreement being reached, the local agronomist is appealed to for a decision. Meanwhile, bad weather may have set in and much may be destroyed. These are the perpetual plagues that afflict the small collective farms, and the causes of the continuous formation and dissolution of fresh communities. Even in the more extensive communes there is a frequent change in membership, because there are many quarrels both among the men and the women due to living together in such close quarters. But the régime has already discovered a remedy for such things. It is imposing upon the collectivized peasant labour discipline exactly as in the case of the industrial worker. Idle or refractory persons are liable, after being warned three times, to expulsion from the community. In spite of such fluctuations in membership, the collective farm itself remains intact, as a member who is expelled or who voluntarily leaves does not receive back the land which he actually brought into the common stock, which would upset the farming arrangements, the rotation of crops, etc., but is given land in another locality, and his place in the collective farm is taken by one of the applicants on the waiting-list.

Thus the régime takes steps to ensure that once the big collective farms at which it aims are firmly established, they do not suffer attrition. To facilitate the continuous extension of collectivization, the régime pursues a policy of favouring the collective farms at the expense of individual farms. Mills, common gardens, and other useful adjuncts situated in the

village are assigned to collective farms in preference to individual peasants, as are also the best land from the village demesne and valuable business premises and dwellings belonging to former manors. The schools also are placed at their disposal, and they enjoy special facilities for the erection of other communal institutions. The rearrangement of the land is carried out for them at the public expense. They are supplied upon easy terms with implements, manure, seeds, and breeds of cattle. They have no difficulty in obtaining from the State and its organs credit, machines, and remissions of taxation. They alone enjoy security of tenure, for the area of land which they cultivate still remains to them after the process of redivision, even if it exceeds the area which would be due to them upon the new basis of distribution. Everything is done on the principle that no coercion is to be exercised, and that "voluntary transfer to the collective type of farming" is to be guaranteed. But in view of the advantages enjoyed by the collective farms and the drawbacks attached to individual farming, this voluntary element does not in truth amount to very much. Individuals are made to realize with increasing distinctness that they are helpless by themselves, and that only in collectivization does their salvation lie.

Pioneering in the Steppes

The incentive to collectivization, however, is only one of the means adopted to achieve the socialization of agriculture. In the collective farms everything depends on human beings, whose behaviour determines success or failure in this sphere. By the side of the collective farms the Bolshevist régime has already started a

second type of socialized agricultural operations, which is independent of the vagaries of human beings altogether, which almost entirely excludes men from the soil, and which sets machinery to work in conjunction with Nature upon deserted land. This second form of socialization consists of large farms operated by the State itself. Some of these estates which were formerly worked as model farms are continued upon the same lines, but the other and more important farms constitute an economic type which Europe has never known before—the production of grain upon vast areas which the State cultivates for this purpose.

In the Ukraine I saw such a model farm on a large scale, which was a striking example of the transition to the new system of the grain factory.

At 40, 50 and 60 miles an hour the car raced across virgin steppes. It is a glorious feeling to have left behind all roads and tracks and to be simply flying over the soft earth covered with short yellow and green grass tufts, with scarcely an undulation. Here and there is a low elevation surmounted by a rudely carved stone figure, barely a foot high, the barrows of Scythes, by which women still keep watch to-day. Nothing else but earth and sky. But against the boundless horizon there looms a herd of buffalo, or a herd of deer, a long train of cows or sheep, and overhead fly eagles, falcons, and pheasants. And somewhere we encountered a shepherd keeping a month's long vigil in his movable hut: a primeval world.

This is Askania Nova, which was laid out in the eighties of the last century by a German, and is now maintained as a public property. It comprises 43,000 hectares of land; 6,600 hectares of steppes have been left untouched to form a natural park, and 10,000 hectares are sown with wheat. The vast remainder of

the area is devoted to cattle-raising, especially sheep-rearing.

Scientific and economic aims are here pursued in close combination. The scientific department is served by a great zoological park, containing rare birds and quadrupeds, with an experimental station in addition. The aim here is to acclimatize foreign fauna, to rebreed extinct species, chiefly the raising of such useful breeds as promise the best and most numerous progeny. Here zebras and wild horses are mated, bison and Ukranian cows are chased from one bridal bed to another, in order to effect a reversion as closely as possible to the old bison or ure-ox; above all, native cattle are crossed with foreign, the grey Ukrainian black cattle with the red German, the Russian pigs with the English. Most prominent of all are the sheep. There were 40,000 of them here before the war. The war and the civil war wrought frightful havoc in their ranks, but their number is again 20,000, and is increasing. The lean and the fat, the coarse-woollen and the fine-woollen, are reared here, and the income from sheep-raising already exceeds 50 per cent. of the 300,000 roubles annually derived from the sale of the wool. But the most valuable skins are supplied by the new-born or unborn caracals, an incredible number of which must sacrifice their lives in Russia every year in order to supply the countless black caps which the majority of men wear like a uniform.

Here then old and tried things are being continued with new zeal. Proceeding farther on our journey, there breaks on the vision a picture that is symbolical of the agricultural policy of the Soviet realm: columns of tractors are moving across the country, ploughing the steppes, to prepare them for sowing, and thus render a vast area of erstwhile virgin soil available for

mechanical grain-production. And the new element in all this stands out in the more glaring contrast because the old jostles it on every side. Close to the tractors are yoked oxen, carts with three-, four- and six-spanned horses, and even carts with dromedaries, for the ploughing of the land has been delayed by the long winter and time is now pressing.

The State as Grain-Producer

Close to Askania Nova is situated another State property, which is devoted exclusively to the mechanical production of grain. A few thousand hectares of land, a dozen and a half tractors, and not many more men. Thus they were ploughing the steppes, part of which had not been ploughed for years, while the remainder had never been ploughed at all. And when autumn comes, they will similarly sow the winter crops; manure is not necessary, and the harvest then depends upon the weather.

We met the official in charge of this column of tractors in front of an old, long, low manor house of somewhat dilapidated appearance. This house formerly belonged to a local landowner, and had about 1,000 hectares of land attached to it. Although both land and house were nationalized by the revolution, the owner and his wife had been allowed to continue living in the house. Now they had to depart, as the house was needed by the manager of the new public property. The woman had already gone, and the man would follow her in a few days. "Whither?" I asked doubtfully. "Oh", came the cool reply, "he has secured some other land elsewhere, as much as the law permits, which is $2\frac{1}{2}$ hectares per head." Human fates in the revolution! A few peasant farms visible on the far

horizon will also be confiscated and demolished, in order to round off the area of the property and allow the tractors a clear road. These peasants, too, will receive land elsewhere in exchange. With respect to their houses, they will probably not lose much, as most houses in this district are built in an incredibly primitive style. Building blocks are formed of cow-dung, clay and straw. They are dried in the air and laid on each other, crooked and awry. A roof made of the same material often closes the cavity. One often sees houses which had originally possessed a thatched roof; in such cases the roof is soon torn away, perhaps because the cottager is short of firing, and an intermediate layer formed of the material described above is imposed on the wooden rafters. An inauspicious starting-point for the projected mechanized agriculture of the future!

The greatest of these national grain factories, which forms a model for those now being planned on a large scale, is situated in North Caucasia. It bears the name Giant, and is in fact worthy of it. This national property comprises 130,000 hectares, or 1,300 square kilometres. It has only recently been established upon land which was largely virgin soil, although part of it was an old State domain, which after the revolution had either lain fallow or been leased to peasant settlers. With the first ploughing in the spring of 1929, about half the land, comprising 62,000 hectares, was put under cultivation, almost exclusively for wheat and barley. I saw this grain factory in early summer, when the crops were already standing. Hour after hour we drove in the car through fields of waving green which stretched illimitably to the horizon. No house, no tree for hours on end broke this green monotony, which filled the whole valley as far as the eye could reach, and up hill and down dale also covered the low undulations

of the earth. For hours at a stretch no house, no tree, and scarcely a man. In the centre of the property were a few managerial buildings of modest size surrounded by huge machine sheds, still awaiting a large part of the machines required for the harvest. Otherwise, apart from the management, there were only small groups of engineers or tractor-drivers, both male and female, who were working far away, living in caravans, to prepare the virgin soil for next year's campaign. Otherwise nothing and nobody. In the spring they had turned over the land, triturating the clods and harrowing the soil, with the aid of 460 tractors, each working sixteen hours a day in two shifts. And they sowed the crops in a similar mechanical fashion. The manager informed me that for the whole area of 62,000 hectares no more than 2,500 workers had been required for a period of nine days. These workers came from near and far, camped in tents, and were fed by field-kitchens. At the end of these nine days everything was finished, the workers departed, and the land lay still. When midsummer comes, the same process will be repeated for the harvest. It is estimated that labour requirements will not exceed 6,000 men, who, actuating an enormous park of up-to-date machinery, are expected to garner the crops over all this wide territory in two to three weeks.

Experts with whom I discussed the matter shook their heads over the prodigious dimensions of this experiment. They emphasized the enormous problem of organization which was set as early as the first harvest, and they stressed the difficulties which as the experiment progressed would be accentuated, such as when repairs should become necessary to the various machinery procured wholesale from abroad, when depreciation and amortization allowances would have

to be made, when the soil, no longer virgin, would yield inferior harvests, not to speak of the danger of crop failures, which, in view of such one-sided cultivation, could destroy at one blow the whole annual produce. Representatives of the authorities dismiss all such forebodings with great indifference. They want the grain factories in order that enormous supplies of grain produced by the State itself may be put at the disposal of the State distributing agencies, to supply the towns, and later on for export, thus rendering its economy and economic policy independent of the peasant producers and their ability and willingness to sell. Mechanization, large-scale operations, State enterprise in agriculture as in industry, are too closely related to the general nature of their economic ideas for them to admit the force of any objections that might be raised. If the business pays, as they hope, very well; if it involves loss, they look for compensation from the diverse territories under their control, with their variety of climatic and meteorological conditions, and in the last resort there is always the national exchequer.

And so they are creating in this country, with its superfluity of men and its huge annual increase in population—they are creating in this agrarian State, of which the most striking characteristic at the present time is the land-poverty of a vast population of land cultivators—new State farms almost denuded of men. What they are most concerned with is the principle underlying their policy, and for the rest there is enough unexplored territory in the vast empire for settling and resettling people so far as it can be undertaken upon communistic lines. Forty-four of such grain factories (6 with an area of 22,000 hectares each, 9 with an area not exceeding 30,000 each, 10 not exceeding 50,000 hectares each, and 10 over 50,000 hectares)

have therefore been established and are organized in the Sernotrest (Grain Trust) in Moscow. It is intended to increase their number and area considerably within the next few years. Several million hectares of virgin soil have been reserved for this purpose, and in time great cattle-breeding stations are to supplement the production of grain on these national properties.

The Result in Plan Figures

The socialization of agriculture is therefore to be brought about by means of the national farms (Sovchosen) in conjunction with the collective farms (Kolchosen). What the social structure of Russian agriculture will look like at the end of 1932–33, according to the five-year plan, is shown by a few striking figures in the table on page 172.

Whereas in 1927–28 individual enterprise still exercised undisputed sway in agriculture, so that Sovchosen and Kolchosen together only accounted for about 2 per cent. of cultivable land and similarly supplied only about 2 per cent. of agricultural produce, the plan figures for 1932–33 imply an enormous change. It is intended that the proportional share of the socialized sector in cultivable land and grain production shall be increased between eight and ten times. It is expected that the national farms will produce more than one-sixth and the collective farms one-quarter of the grain available for the wholesale market, that is, the total supplies of grain in excess of the peasants' own consumption and local consumption. These shares in the total output of market grain would amount to 42·6 per cent., or not far short of half. In fact, if these expectations are realized, the result would

(*In Percentages*)

	Individual Sector		Socialized Sector		National Farms		Collective Farms	
	1927–28	1932–33	1927–28	1932–33	1927–28	1932–33	1927–28	1932–33
Cultivable area	98·0	82·2	2·0	17·8	1·1	3·5	0·9	14·3
Grain	98·0	83·6	2·0	16·4	1·1	3·3	0·9	13·1
Grain harvests	97·9	80·2	2·1	19·8	1·1	4·3	1·0	15·5
Market grain	92·5	57·4	7·5	42·6	3·7	17·3	3·8	25·3
Total production	98·2	82·9	1·8	17·1	1·2	3·1	0·6	14·0
Commodity production	95·6	74·7	4·4	25·3	3·6	8·6	0·8	16·7

be an enormous extension of the economic, the social, and consequently the political predominance of the régime.

The Contractors

But the rulers of the State are not yet satisfied, and so, in addition to the socialization of agriculture through Sovchosen and Kolchosen, they have devised yet a third form, which seeks to draw the peasant working on his own account within the orbit of socialization.

Following the example of industrial concentration, where the development of large business units in the same category, or horizontal concentration, has been accompanied by the organization of related branches of economy, or vertical concentration, efforts are being made in the sphere of agriculture to link up the individual peasant farms with the branches of industry that handle their products as raw materials. That is to say, the peasant who cultivates flax, cotton, beetroot, and similar technical products enters into agreements (contracts) with the Trusts representing the industries which use these agricultural products as raw material, with the Linen, the Cotton, or the Sugar Trusts, and corn-growing peasants do the like with the great State grain buying syndicates. These central marketing organizations supply the peasant, according to contract, with standardized seeds, manure, even machines and implements. They allow him credit and frequently open current accounts, so that he has money available during the year wherewith to supply his needs. Sometimes the Trusts as wholesale buyers procure the articles of common consumption which he needs and supply them at low prices. As an equivalent for all these services the peasant undertakes to cultivate

specific quantities of the contracted products, and sells his harvest in advance at a fixed price to the central marketing depots, less what he requires for his own consumption.

The aim is obvious. It is to improve the quality of production, to increase its quantity, and at the same time to ensure that it reaches the central marketing agencies. The political and social purpose is also clear enough. The peasant, still apparently an independent person working on his own account, is thereby transformed in reality into a wage-earner (a piece-worker) for State commerce and for State industry.

The Peasant as Worker in the Grain Factory

In the last resort it is the peasant who is the consistently pursued object of the whole policy. It is distinct in the case of the contractors, sufficiently manifest in the State grain factories, and undoubtedly at the basis of the development of the collective farms. As such, these collective farms are by no means socialistic institutions, but co-operative types of private enterprise, actuated by the incentive of the private interests of each working co-operator. But even here the Bolshevist State can (and doubtless will) prevent the development of incomes and property above the average, its control of taxes and prices giving it the means to do so. Moreover, the larger the collective farms become—and large collective farms are precisely what is aimed at—the more they lose their original character of co-operative private enterprise, the more they tend to resemble an industrial factory.

Some very interesting indications of this tendency, which for the rest is obvious enough, were given by

S. J. Syrzov, the newly appointed President of the Council of People's Commissars of the U.S.S.R. in July 1929, in the course of a great speech to the national conference of the great collective farms. He complained that the collective farm was still being carried on too much like the peasant farm, that the quality of the labour was frequently bad, that the new incentive to production was but slowly making itself felt, that the tractors were not sufficiently utilized, etc. —in short, a number of collective farms and Soviet properties are in the "impossible" situation of producing wheat at a cost two or three times higher than what prevailed in the peasant farms. He proceeded to utter warnings against the "so-called co-operative sentiments"; the central administration of collective farms must be armed with executive powers, abuse of the principle of common decisions must be stopped. "Many questions which presuppose individual responsibility and division of labour are decided by us in the presence of all, similarly to the great communal assemblies of peasants. In this respect the peasant tradition is manifestly asserting itself. Mass meetings are necessary, because they enable us to enlist the co-operation of multitudes of people in questions of reconstruction. But discussion must not usurp the function of administration. The meeting of the communal members of a collective farm must not usurp the functions of the managing and executive organs (Communal Soviet) and of individual members in managerial positions (President of the Commune, Agronomist, Departmental Manager), and thus deprive these authorities of their responsibility." There you have the first principle: managers, red managers certainly, but managers exactly as in industry. Of a piece with it is the second principle: "Just as large-

scale industry cannot do without the engineer, so the collective farm cannot dispense with the agronomist." In other words: the red manager is to be supported by the specialist exactly as in industry. Just as efforts are being made to enforce a stricter discipline among the workers in industry, so in agriculture demands are being made for a stricter discipline to be imposed upon the peasant co-operators. Also demands are being made that greater care should be observed to ensure that an undertaking pays its way and to reduce working costs. And finally, there is a very characteristic recommendation to increase the percentage of reserves in the collective farms—exactly as in industry and the whole of economy generally, the aim being to augment social wealth at the expense of endeavours to secure a better individual life.

"Our industry absorbs great resources, but it reproduces them. The worker whose production reaches a value of a few thousand roubles receives a certain share as wages. The rest is employed as surplus value in strengthening the business and in socialistic reorganization. The collective farms must be run on the same lines."

The analogy is thus seen to be absolutely perfect. Out of the peasant co-operative there is developing the agrarian factory, with the red manager and the agronomist at the head. Working under them for a modest wage are the labouring peasants, just like factory workers, with the same collective rights and even privileges as the latter, but also subject to the same limitations of income, of property, and of individual existence, which, of course, produce quite a different psychological effect upon the peasant than upon the industrial worker, who has been habituated to collectivist influences in the factory. Lenin's old slogan of

the *Smytschka*, the alliance between workers and peasants in the Soviet State, receives quite a new significance. Out of alliance is to come equality: the peasant is to become the same as the worker, he, too, is to be a worker; and both together, worker and peasant, are to form the great indivisible proletarian mass supporting this State, to which he belongs politically and with his social wealth. That is the goal of the future. A transformation process of the most astonishing character has been set in motion; a process extending over decades, if it does not fail in the meantime. And around this the struggle is raging.

THE POLITICAL RULE OF THE DICTATORSHIP

The Red Flag over the Kremlin

The red flag waves over the Kremlin day and night. At the onset of darkness it is flooded with light invisibly from below, and plays athwart the starry heavens like a beacon. All this has been told a hundred times: former Government buildings, business palaces, and private houses of the nobility converted into red administrative departments or fallen into decay, the memorials of Czarism wrenched from their pedestals now standing empty, and in the Red Square in front of the Kremlin wall, not far from the Cathedral of St. Basilius, where divine service is no longer celebrated, Lenin's mausoleum, wherein the dead lies like a sleeping man, and before which passes, when the mausoleum is open, a continuous procession of silent people. Just as one expected to see it. Yet when one sees it in reality, he is overcome by the enormous symbolical power with which a revolution, which was really a revolution and still remains a revolution, is manifesting itself here. In the Kremlin the Czars built their castles and exhibited precious collections. Piled together on one square are the churches in which they were baptized, crowned, and buried; here lie to this day in long rows the nozzles of cannon which Napoleon left behind him in his hurried retreat. Here is situated now the supreme seat of the Soviet Government, which is imposing upon a people of 150 millions, upon a vast country with a preponderantly peasant population, modes of life, economic arrangements, ways of living and of thinking such as the world has never yet seen. And over all waves the red flag.

The New Right of Nationalities

The red flag floats over 150 million people, but in reality it is not a nation one and indivisible, but an enormous medley of nations, which, incredible though it sounds, is ruled from the centre in Moscow according to a uniform pattern—a medley of nations with a chaotic diversity of speech, of faith, of cultural level and of cultural tradition. Bolshevism has—and this is one of its really great liberating deeds—for the first time given these innumerable nations national freedom and self-government within the framework of the Russian Empire.

Czarism pursued a harsh policy of Russification, which was the harsher in proportion to the cultural superiority of the oppressed nations. The Russian language as the language of government and administration; Russian schools when there were any schools at all; higher schools and especially universities concentrated as much as possible in Russia proper, so that the educated sections of the national minorities could not educate their children within their narrow homeland, but were obliged to send them to a distance, where they were alienated from the homeland and their own nationality; finally, Russian officials filling all the higher posts, so that the educated members of the national minorities could find no prospects of advancement in their narrow homeland, but were obliged to submit to Russification. Such was the old system of Czarism. The new policy of Bolshevism was of a diametrically opposite character. It fostered the national languages, which now became the official languages of administration, of the newspapers, of the schools, etc., within the territorial confines of the nationalities. It granted the nationalities national, political, and

cultural autonomy. It gave them pride in their national characteristics and the consciousness of freedom. These facts are most appreciated at the present time by the Germans, as the oppressive system of Czarism was carried to such lengths against them during the war that on the eve of the revolution a decree had already been drafted which designed to expel the Germans from the Volga district and to settle them in Siberia. To-day these Volga Germans are the leading political section in their district, and they pride themselves on observing towards the national minorities living under them (including the Russians) the same policy of broad-minded tolerance that the entire Soviet Union observes towards its national minorities. And the same applies to Ukrainians, Georgians, Armenians, and Tartars, and to all the other nationalities distributed over the vast empire. It is also true of the Jews, who because they were formerly compelled to engage chiefly in commerce, were particularly hard hit in an economic respect by the Bolshevist régime. In fact, a considerable portion of the Jewish bourgeoisie emigrated from Russia at the beginning of the revolution. But $2\frac{3}{4}$ million Jews are still living in the Soviet realm, proletarians as many of them were in Russia before the war. As they can no longer be traders except under disabling conditions, many of them are now being trained for handicraft or industrial labour in their own schools. In particular efforts are being made (partly with the generous assistance of American money) to settle them in considerable numbers as peasants, especially in the Crimea and also in Siberia, in autonomous settlements where the Yiddish language (not Hebrew as in Palestine) officially reigns.

Occasionally the Bolshevist régime utilizes this liberality towards the nationalities to effect a skilful

equilibrium by playing off one national section against the others which formerly possessed national and social preponderance in places where it encounters opposition: a class struggle with a nationalist twist.

But viewed from a loftier angle, the policy promotes national pacification, by the equal national rights which it confers upon all, and also by the mingling of nationalities in the factories, which are now State factories, as well as in the new housing settlements of the industrial workers, a process which tends to soften national asperities. The nationality policy of Bolshevism as a whole is a great and genuine instalment of real democracy. Like everything else, however, it is only democracy within the framework of dictatorship, as the dictatorship tolerates the freedom of nationalities only upon the basis of its political and economic system. To this system the nationalities are also subjected, and the roughest experience in this respect has been that of the Georgians, whose originally independent Menshevist State was actually conquered by Bolshevism, although the operation was disguised as an internal revolt, because the Soviet Power could not allow the politico-geographical and politico-economic (petroleum) key position of this small State to pass under foreign influence, but determined to incorporate it within its own political system. Thus national democracy under Bolshevism only obtains so far as it harmonizes with the system of dictatorship. Over the liberated nationalities the red flag also floats.

The Goal of the Dictatorship

Who rules under this token of revolution; what power is covered, sanctioned, and symbolized by the red

flag? This is the old question asked of every rulership and every State, and never and nowhere completely answered. Nowhere does the written constitution supply more than a formal answer to this question, neither in the United States nor in Germany, France, or England, any more than in the Soviet Union. From all sides confirmation is forthcoming of Lassalle's penetrating remark: "The real constitution is the actual relationships of power." These actual relationships of power, however, are at all times and in all places, even while the written constitution remains unaltered in its clauses and forms, undergoing a continuous, often imperceptible, but not on that account the less profound, transformation. The relationship of intellectual and material forces is constantly changing, as is the relationship of groups, of sections, of classes, and the relationship of leaders and led; their mutual relationship changes as does the relationship of all these separate forces and powers to the State, whose real constitution at any time is only to be inferred from these perpetually changing actual relationships of power. This is the case everywhere, but during a revolution this silent constitutional change is carried out more rapidly, more continuously, and more decisively than at other times.

But through all constitutional changes the State persists, as it persisted even through the hurricane of the Russian Revolution. "The State dies out", runs the prognosis of Karl Marx, and Lenin simplified this prognosis still further: "the State machine must be made so harmless and unimportant that any cook could govern the State". So far Bolshevism in practice has demonstrated the opposite. Bolshevism has erected over the country it rules a State apparatus of enormous dimensions, a State apparatus with a gigantic bureau-

cracy in what seem to be new, but what are in reality mainly the old forms. This State machine exercises the functions of government. And the only question is who rules it, under what actual relationships of power does it exist?

Dictatorship of the proletariat runs the formula. Then what is there in the proletarian State in addition to the proletariat? What remnants still remain of the urban middle class and lower middle class (private industry, private trade, handicraft, free vocations) are in fact trifling from the numerical standpoint. But the position is quite different in the country with its enormous preponderance. Here, as I have shown in detail, apart from the dictatorship, there has existed all along the basis of a class of entrepreneurs, with ample scope for its development. It should be emphasized that this latent possibility exists to a very marked extent, although it is forcibly repressed, because it springs simply from the natural individual efforts of men who desire to employ their faculties to the best advantage and to enjoy the fruits of their labour. Even in the land of the Soviet, just as in the West, the overwhelming majority of men think and act in this way. Consequently the Bolshevist system is always finding itself menaced by new differentiations of sections, by the formation of new classes, which, if allowed scope, would condemn all its endeavours to sterility. The remnants of the old section are the enemy; the other and more dangerous enemy is the constant possibility of the rise of a new section. Economic means are employed to combat this possibility. But above all the system combats it with the means to which it owes its existence: with force. This struggle is the essence and purpose of its dictatorship.

The Suppression of the "Former People"

It is a struggle which is conducted from above by the leaders with implacable severity as the inescapable consequence of their system of thought, and which is translated below, wherever old hatred, old envy, old hostility find an opportunity to take personal revenge, into naked cruelty. The "former people" are the enemy, that is all who occupied any kind of privileged position in old Russia, who were not workers and poor peasants or revolutionaries—property-owners, officers, officials, manufacturers, house-owners, merchants, and priests, and this classification reaches down even to the little Jewish cattle-buyer in a remote village. Moreover, the struggle hits not only the surviving members of these former privileged classes themselves, but, most terrible nemesis, their children and children's children. For the god of this revolution is a jealous god, who visits the sins of the fathers upon the children unto the third and fourth generation. And he never tires; at the most he gives the exhausted victims short breathing pauses; they are always being threatened with fresh penalties which endanger or destroy their existence.

In a school reading-book I came across the sentence: "The State is created for the purpose of permitting the rich to exploit the poor without danger. Only since the revolution of 1917 has this principle been reversed by us." Thus exploitation itself has not been abolished, but only the symptoms of it have changed. This is what the children are taught in the school, and this is how things actually are. This revolution is not satisfied with stopping up the old sources of exploitation, with abolishing the old privileges. It is not privileges in general that it designs to exclude, it is creating new privileges in place of the old ones, for the benefit of

the sections which were formerly exploited. With the strong tendency towards economic centralization which succeeded the partial abandonment of the New Economic Policy, the opportunities for this differential treatment were exploited with greater vigour.

Members of the former privileged class are politically disfranchised. They are deprived of the suffrage and branded as social pariahs. This was not effected in a single act at the beginning of the revolution, by way of settling accounts once and for all. The sword is ever hanging over the heads of those who have not yet been struck down. Even now in the twelfth year of the revolution individuals and families see their existence continually being jeopardized by a decree which suddenly, and for no special cause, deprives them of the franchise, and with it the right to life itself. For this act of disfranchisement carries with it a whole series of disabilities. In the first place, food tickets are withheld from the "former people" and their descendants, who are thus deprived of access to cheap articles of daily consumption, which fact constitutes a heavy additional taxation. These classes, driven out of their old mansions, find it extremely difficult and expensive to obtain any accommodation whatever, as all houses available through public channels are, in the existing housing famine, reserved to the new classes. Then, by means of frequent purgings, these old sections, and even their children, are continually being deprived of the publicly recognized opportunities of employment, and are being driven into the dwindling ranks of private enterprise, into mendicancy, or into suicide; the other way of salvation, which lies in emigration, is not tolerated, because the Soviet State will not permit any increase in the number of emigrants who are agitating and organizing against it from without.

The New Educational Privileges of the Proletariat

Added to this as the coping-stone of the whole is the institution of an educational privilege for the propertyless. This is the revenge of the revolution for the greatest wrong which the capitalist State, in its day, inflicted upon the propertyless, by tolerating and maintaining the educational privilege of property. And on this principle it is based. "Cruelty, class-legislation! For the rest: what more do you want? Educational opportunities are infinitely greater with us than in capitalist countries, because the number of those who are handicapped in this respect is so very much smaller, all in all perhaps 5 per cent. of the whole population." Such is the tenor of answers I frequently received. Moreover, there is the more opportunist justification which sounds almost like an excuse, that this is nothing more than a transitional measure, necessary only so long as there are not enough vacant places in the higher branches of education into which the masses have been pouring since the revolution. This limited number of places is therefore reserved in the first place for the workers' children or young workers. They may reach them by the most diverse roads. There is the road through the training college or the road through technical and similar continuation schools, which they may attend whilst working half-time in the factory on full wages, after leaving the elementary school. This arrangement gives rise to an interesting conflict between the young people's associations and the economists in charge of industrial administration, inasmuch as here, the direct reverse of the position in capitalist countries, the youth organizations urge the employment of the largest possible number of young

people in the factories, while the economists do their utmost to discourage this labour, which is not cheap, but, on the contrary, very expensive. But in addition to all this there is the special road through the Labour colleges, the *Rabfaks*, established for clever workers who have been employed for years in the factory and are now granted a modest allowance to enable them to engage for several years in preliminary studies at these Labour colleges, whence they will pass to the universities and polytechnics. For poor country children similar opportunities of advancement, apparently on a smaller scale, have been created. They all have the right to university education, and it is such places as they do not occupy which are available to other classes, which must compete for them in an examination. In practice, however, the only road which is usually open to the children of the old bourgeoisie is for them first to spend a number of years among the working class, and to discover a way of continuing their studies to the stage of university education concurrently with work in the factory.

This differential treatment is gradually being softened by the lapse of time, which is producing a new generation by which this submergence in the homogeneous class of Labour is accepted as in the natural order of things.

The Party as Élite, Sects, and Orders

The diminishing remnants of the old ruling classes are therefore repressed with brutal determination. But this does not by any means imply that the remainder, the overwhelming mass of the people, is now governing itself in freedom, for it is ruled, under other forms, by a dwindling minority: the Communist Party.

The Communist Party on July 1, 1928, numbered 1,317,000 members and candidates, of which 61 per cent. were workers, 21 per cent. peasants, and 18 per cent. State employees, etc., only 12 per cent. of the total number being women. These figures, which deviate considerably from the vocational and sexual classification of the whole population, are characteristic. They include many intellectuals, in spite of the assiduous efforts that are made to attract the manual worker. There is also a large contingent of old revolutionaries, whose whole life has been one long sacrifice for the revolution, as well as numerous members of the younger intelligentsia, whom Czardom spared during the war by employing them more at home than at the front, and who find the path to political power easier than elsewhere. In Germany, for instance, this class, when the war ended, had before everything else to devise some sort of a livelihood. In Russia the régime quickly attracted them, because it needed for its administrative machinery intellectual energy which was but scantily supplied by the old men who were rooted in the past.

What is the Communist Party in Russia? First of all, it is anything but a party in our sense of the word. It comprises élite, sects, and orders. Élite: the selection of the most active and resolute members, who possess most of the qualities of leadership (good and bad). Sects: a Russian sect, with all the fanaticism, all the devotion, of its faith. Orders: with the not express but actual vows of poverty, obedience, and of chastity, at any rate in the sense that gross infractions of the moral code of communistic society, personal misconduct, which sets a bad example and discredits the Party in the eyes of the people, disqualify the offending member so far as the Party is concerned. The Élite,

who aim at ruling dictatorially as a small minority, have all the more need of moral authority, and "a spoonful of tar spoils a ton of honey", as a Russian proverb wisely says. Yet this is kept relatively far in the background. Considerably more real is the vow of poverty. Even those Party members who exceed the Party income of 225 roubles by legal means (literary work and the like) have to pour a very considerable part of their income into the Party coffers by way of self-taxation. The author of a textbook which has a wide circulation, and merely because of the subject, earns large annual royalties, forgoes his rights entirely in favour of the Party. Voluntarily? Yes and no, runs the answer. To retain the royalties would not be convenient, and in practice hardly possible. That is an example. The duty of obedience, however, is the most vital. For the Russian Communist Party is an *ecclesia militans*, its members are like soldiers, ready at any time, at the command of their superiors, to change their domicile and their work, in order to discharge some fresh duty which has somewhere been assigned to them. In this respect Communism has really learnt much from the Church. Its servants, too, must not be attached by human ties to other interests, must not lapse into effeminacy (or corruption) by smooth routine work, or develop into place-hunters. Hence the continual removals from the centre to the circumference, from the higher executive posts to the lower, so that the executive officer may know from experience how his instructions are carried out in the hurly-burly of real life, and be on his guard accordingly. "Be Prepared", the watchword of the pioneer, of the Communist variety of Boy Scouts, who are trained to be conscientious, punctual, clean, and obliging—this watchword is the chief rule of life for the members of

the Communist Party. And to serve it is often a task of real difficulty; to be a Communist in a village, for instance, means a self-denying and frequently dangerous existence. Obedience: not merely in external things, but also in intellectual matters. Even in the Communist Party there are continual differences of opinion, which are frequently quite profound, but they exist only so long as the Party has not spoken. When the Party lays down its general line of policy, the individual Party member must submit without protest, and devote his whole energies to the carrying out of this general policy. Loyola is the prototype. And really tragic are the conscientious scruples which assail those who are unable to give intellectual assent to this general line of policy, who are convinced it must lead to disaster, and must yet submit to it. This is a stern monastic discipline. And what satisfaction do they get in return for so much sacrifice? In some cases it really is pure devotion to the idea upon which, since they have been able to think, they have staked their lives, and to which they are now devoting their lives, prematurely destroying themselves by their prodigious exertions. In other cases it is frequently a naïve, childish pleasure in feeling that they are now on top and that the others are underneath, that they can now give orders, and that the others must obey. Finally, in many belonging to both classes, the service of an idea and the enjoyment of power are combined in a very strange mixture.

Élite, sects, and orders. And to the methods deduced from these organizational types there correspond the devices of leadership and government. The number of Party members is systematically kept down, and systematic efforts are made to assure the proletarian character of the Party. An applicant for membership

must first pass through a probationary period, which lasts six months if he be a worker or member of the Red Army, a year for a peasant, and two years for others. When he is proposed, he requires sponsors with a similar differentiation: an industrial worker must be recommended by two Communists, each having one year's Party membership, other workers, land-workers, and members of the Red Army must be recommended by three Communists, each having two years' Party membership, and employees and intellectuals must be recommended by five Communists, each with five years' Party membership. Narrow is the gate which admits to the ruling Party. But another and broader gate leads out of it, which is in constant use owing to the periodical purgings, which are designed to cleanse the Party of bad, selfish, and lazy elements. Both processes, however, the admittance and exclusion of the rulers, are effected—and this is a principle of the Élite—with the co-operation of the ruled.

Those who are Led

For the régime distinguishes sharply between enemies and sympathizers. The former, so far as they are such, or so far as they are declared to be such, are suppressed. The others, however, are regarded and treated as prospective supporters, who have to be led, because they are not yet ripe, who have to be enlightened so that they will become ripe, and who are allowed to co-operate so far as it does no harm. These are the concessions which dictatorship makes to democracy. Candidates for admission to the Party, and victims for the purging operations, as well as candidates for the executive, are therefore made subjects of discussion in the workshops, that is in the immediate circle of

those affected. In Russia all questions, political as well as economic, are brought up for discussion. The leading men of the régime are continually being called upon to give reports by large works meetings. And these meetings have a very practical system for giving expression to their wishes and complaints. While the orator is speaking, small, folded slips of paper containing questions from the meeting are continually being passed up to him, which, in accordance with an unwritten but strict rule, he has to answer at the end. If in the course of a lecture upon the situation in China he receives by way of echo fifty questions about the sugar shortage and a hundred about the housing shortage and similar things, the listeners may not be precisely informed upon China at the end, but the speaker gets a pretty shrewd idea of what the people are thinking.

To this end everything is in fact directed. Always to be holding the ear to the ground, always to be feeling the trend of opinion—what it is wanting, what may be exacted of it, and, on the other hand, to influence opinion at the proper time, to lead it and to give the governed at least the illusion of democratic concurrence —such is the systematic endeavour of an elaborate system which is most cunningly devised to secure these ends.

It is quite in harmony with the spirit of this system that, analogously to the economic constitution, the largest number of people is encouraged to take an active part in affairs by filling the innumerable positions or serving on the innumerable committees that exist for all kinds of purposes, and that criticism of details —but only of details, and not of the system—is allowed a wide scope. The members of proletarian sections who do not belong to the Party are assumed to

be really sympathetic, and another ingeniously devised system of guidance and control ensures that they shall not become dangerous. This system has its starting-point in the cells and the influence they exert; it develops in potency with the publicity of elections and a systematically graded franchise, which becomes increasingly indirect as it ascends in the scale of political importance, and culminates decisively in the real seat of power of the régime.

The Pressure of the Dictatorship and its Consequences

Actually the ruling Party concedes no freedom, and the most distinct evidence of this is that it tolerates no other party by its side. The Party members, indeed, everywhere constitute a relatively small minority, not only in the workshops and works meetings (particularly in the village meetings), but also in the inferior elected bodies, the soviets of the villages and the towns. And although in the intermediate and higher branches of the machinery of government the scales are increasingly weighted in favour of the Party, yet non-members of the Party are to be found in all of these bodies, even in the highest departments of government, where they serve as specialists. Nevertheless, this is the only division that exists between Party and non-Party. There is no possibility for persons outside the Party to organize themselves into one or several parties on their own account, any more than the Right or Left wing within the Communist Party may legally organize itself as a special party. There is no legal possibility at all for organization except within the ranks of the ruling Party. All who do not belong to it, even all who deviate from the line of policy that is laid down from

time to time, have to remain an isolated, amorphous mass, for which no organized existence of any kind is tolerated. It was, for example, a misfortune of the Trotskyists that they embarked upon a kind of group formation, which merely facilitated their suppression. And what is not permitted to non-conforming supporters of Communism is certainly not tolerated in the case of different schools of thought, such as the moderate Social Democrats or the Menshevists.

There is no freedom of political organization. Above all, there is no freedom of the printed word, no freedom of the Press. In this connection, the circulation of books, as of newspapers, has increased enormously, to a degree inconceivable under Czarism. The circulation of newspapers, which the great mass of the people in Russia used hardly ever to see, amounted before the war to 2 millions, and is now 8 millions. The two influential newspapers of the chief towns alone have a circulation of between 500,000 and 700,000, and their influence is immeasurably greater, as their articles and news are flashed by wireless to the provincial newspapers, and on all sides are reading circles and reading clubs, which make the utmost use of the copy for which they subscribe. Moreover, the greater newspapers (there are also lighter and more popular journals) are written in a terse and technical style, containing no hint at the possibility of entertaining or diverting the reader, that is positively astonishing. The most difficult economic problems are discussed as widely as if it were anticipated that every reader would regard them as a matter of vital concern to himself. And to a large extent this is actually the case. This is confirmed by the fact that the newspapers are regularly informed of what transpires in the factories and the villages by a host of worker and peasant

correspondents, that they continuously conduct an enormous correspondence (the editor of *Pravda* receives 400 letters daily, or more than 120,000 annually, from his readers), that they very carefully attend to the intimations they receive from this quarter, and that, for a like purpose, they provide the greatest facilities for works newspapers, and in the case of small works even wall newspapers. Here too the authorities have their ears to the ground. But this is only one side. The other consists in the fact that only what is acceptable to the Party can ever achieve publicity. Criticism, criticism, and criticism in detail to the point of self-mortification, but never criticism of the system. Exposition and discussion of the same things everlastingly, but never a different opinion. Constant propaganda by every means, especially the propaganda of hate, which worsens as one descends into lower social strata. During a long railway journey I read a fortnight's numbers, from start to finish, of a Bolshevist country newspaper, published in the German language; it was a hellish journey. Objective presentation was almost entirely absent from this journal, or was at most vulgarized, summarized, and simplified to an inferior ABC. Everything else was redolent of hatred, down even to the lowest personal mobbing.

Thus there is no freedom of the Press, no freedom of the written word, no freedom of opinion. The consequence, of course, is that which inevitably follows such suppression of freedom of speech, and of which we had ample experience during the war and the war-time censorship, namely, scepticism and mistrust of every official utterance to the point of blank incredulity. A story is told of a teacher who was giving a lesson describing the conditions under serfdom. One

of the pupils refused to believe her, and suggested the story was all a Bolshevist invention. The teacher gave him a volume of Turgeniev, in order that he might read and be convinced, and, in fact, the youngster was considerably impressed and his doubts almost dispelled. Turning over the title page, however, his suspicions flared up. "Of course", he said, "State publishing department", and pointed to the imprint at the bottom of the page. Even the official editions of the classics published under the auspices of the State printing monopoly were considered by this pupil to be obviously tendencious and designed to serve partisan ends. This is a pretty invention, but that such a tale should be spread about illustrates the effects of the dictatorship, which is impelled to practise ever harsher coercion precisely because of these effects.

No freedom of discussion and opinion; and no personal freedom. Rather the reverse. It is not merely the foreigner who continually feels (and it is more than a feeling) that his footsteps are dogged, that his hotel telephone is tapped, and that even the walls of his hotel room have ears. The whole population lives under a system of espionage which is carried to such a point that no person any longer trusts another, that even Communists mistrust each other, and that over the whole country hangs an atmosphere of fear and intimidation like a perpetual, intolerable oppression. Depressing indeed is the eloquent silence and embarrassed looks which answer the foreigner if in the course of conversation he should broach a subject which he has momentarily forgotten is a delicate topic in the country of dictatorship. Almost worse even is the dread of responsibility, often evinced by men in high positions when they have to make the most trifling decisions, without being previously authorized by a

committee resolution. One is frequently struck with the lack of appreciation of the value of time, which loses sight of the object of the discussion in the passion for argument. This is continually surprising the visitor, although it does not apply to the supreme heads of administration. You sit in an office, and after waiting a quarter of an hour, instead of the man you are looking for, there are four, five, and six standing around, listening and interrupting as if they had nothing else to do; and if you inspect a works, you are joined by a new conductor as you pass through each department, until at the end there is quite an escort with you. At first this seems no more than a harmless pleasure, but it gradually dawns on one that this is by no means so in every case, but is often something quite different, namely, a surveillance of the visitor and even more of the visited—a surveillance which the visited even arrange as a precautionary measure for their own protection. It happened to me, as an exceptional case I grant, that men in high positions timidly hesitated when I asked them to supply me with officially published and printed data, and with particulars of the titles and sources of supply of officially published books. They were not quite sure whether they would not be exceeding their authority.

The Instruments of Dictatorship

It is clear that such a pressure of dictatorship can only be enforced with the sharpest instruments, even in a country where the dictatorship of revolution directly succeeded the dictatorship of the war régime, and where Czarism even in peace time never tolerated freedom and the habit of freedom.

Consequently the régime trains the élite of the

working class and the élite of adolescent youth to the use of arms on a large scale. Evidence of such training is found everywhere in the higher educational institutions, in the Labour clubs, even in a Turkish ladies' club. And on high days of Communist festival, such as the 1st of May, armed workers' detachments make a brilliant show in the procession of demonstrators. They even include women, some of whom carry rifles, while others wear the uniform of nurses.

In addition, there is the Red Army, from which the former ruling classes and their descendants are excluded, whereas, conversely, the Army is utilized to the utmost extent as an educational and propagandist agency for the régime. The recruits, the overwhelming majority of whom come not from the town but from the village, are handsomely maintained, with privileged rations, splendid accoutrement and equipment, and excellently appointed clubs. They are also intensively and systematically trained, so that at the end of their term of service they take home with them an exact knowledge of their political system, its institutions and its ideas, thus assisting to make this knowledge more widely known. At the same time, however, the troops, even these predominantly peasant troops, are brought into closest contact with the trustworthy section of the working class, by placing particular detachments of troops in the charge of particular factories, so that the troops spend a part of their leisure in common amusements with the workers, and occasionally even a part of their later period of service in working in the factory. In this wise the education from above is supplemented by social and mental intercourse below.

But the strongest instrument of the dictatorship still remains the G.P.U., the State police organization, the successor of the Cheka, which on its part was nothing

less than a continuation of the Czarist Ochrana—a powerful and ruthless apparatus of force, subject to no other restraint than the law of revolution, with its own secret police service, with a terrifying system of espionage, with unlimited authority to make arrests, to incarcerate its victims for long periods, and to sentence them to imprisonment, banishment, and death. Shootings are quickly and frequently carried out. A terrible heritage of Czarism is this lawless law, which recognizes no principle save that of political necessity, then the political necessity of Czarism, and now the political necessity of the revolution, and which is also the highest court of appeal for the interpretation of the law in all doubtful cases arising in the ordinary course of justice. The G.P.U.: these three ominous letters are never heard without fear and trembling; the Moscow citizen never passes its huge central building, whose impressive façade can be seen a long way off even during the night with its rows of lighted windows, without feeling uncomfortable; even leading men of the régime utter its name apprehensively, because they know how often this organization, omnipotent and unrestrained, has interfered even in the immediate sphere of political administration and of politics.

Who—Whom?

But the question that is perpetually recurring is: whom in the last resort does this apparatus of terror obey, whom does this mighty political apparatus obey, whom does the Party obey, who actually exercises the dictatorship that is here carried on in the name of the proletariat, which, even according to the written law, is only ruled by a small minority? History tells us of the constant constitutional changes to which even the

constitutions of revolution are subject. From Jacobinism to Bonapartism was only a step, and the step from the dictatorship of the proletariat to a dictatorship over the proletariat would perhaps be even shorter. The change can already be recorded (although not in the form of private capitalism) which led from the rule of the workers in the factory to the subjection of the workers to labour discipline in the factory, which Party doctrine calls the change over from syndicalism to socialism; and there is also the change from the individual peasant taking possession of the land to the peasant labourers working under discipline in the great collective farms. Also, and this is an important consequence of the most recent political developments, profound changes may be detected in the machinery of the Party and of the State. For the suppression first of the Left opposition and then of the Right opposition could not fail to have profound internal consequences. The human consumption of the never-ending revolution is enormous, and it is precisely the men with initiative and authority who are used up in largest numbers. Those who succeed to their positions have first to win recognition and reputation by service. Thus the Party tends to become less independent, less significant, and even less educated, because the intellectuals are being systematically supplanted by manual workers. There are fewer men with initiative, and at the same time centralization, which at the outset had been carried dangerously far, is enforced with increasing thoroughness.

The men of the régime deny that danger lurks in this development, they deny the danger even when forced to admit the facts. Rapid consumption of human material? But that is the habit of revolutions. Besides, others take their places. Growth of an oligarchy? Not

at all; the dictatorship of the proletariat in an agrarian country is an enterprise of immense risk. Without the workers, with the bayonet alone, it would be simply impossible. Development of autocracy? Certainly not; the revolution knows nothing of hero-worship. Lenin was a popular hero, a god, but none other has enjoyed such an unassailable authority.

The decisive factor, however, is this: they feel that they must continue along the path upon which they have embarked, politically and economically, and that there is no choice for them between victory and failure. They realize that they are fighting against man as he has hitherto been known, but their belief is that, through the sacrifices and sufferings which they are imposing on him, they will be able to elevate him to a new pride and to a new dignity. They are fighting against the old Adam, but their faith is in the new Adam who is to emerge from this colossal transformation.

The Campaign against the Old Churches

There once lived a rich merchant who traded with his ships far across the sea and brought home great riches from every voyage. One day he encountered pirates, who robbed him of ship and goods. He barely escaped with his life in a little boat, but his son, who was with him in the ship, was carried off by the pirates. On reaching home the merchant spent the rest of his fortune in an endeavour to recover his son, and when he had parted with everything, he continued to seek him in the streets of the capital, supporting himself upon the alms of the passers-by. Years passed in this way, until one day the son really came back, young and happy and with a new fortune, which he put in his father's hands to compensate him for what he had lost. But the father preferred to remain a beggar as before, and used the money to build, in gratitude to God for the return of his son, a splendid church which still stands in Moscow.

So runs the pious legend. And in fact a large proportion of the countless churches of the Orthodox Church, of the splendid cathedrals, of the great monasteries, which were continually being enlarged in the course of centuries, as of the small, silent chapels, was built in some such way as this. Their number is incredible. Their golden, green, or blue cupolas, with the Greek double-cross, rise everywhere in the crowded streets of the towns as in the deserted solitude of the country. Signs of a time which is not so far distant here, when the ordinary Russian was as far removed from capitalism, with its rational "private capital accumulation", as from Bolshevism, with its

"communal capital accumulation", when fortunes were won and wasted, but were also devoted to such works of art and faith, and when the mass of the people, miserable, ignorant, and in bondage, found here a resting-place and a refuge for the soul. Gorki somewhere tells the story of an old couple: a husband, drunken, idle, and brutal; a wife, ill-treated and crushed by him, ignorant, poor; but on Christmas Eve she, who is suffering want herself, goes through the lonely snow-covered streets, lays a copper on the window-sill of people still poorer and more miserable, knocks and announces, "Christ is risen, God has remembered thee."

The Russian soul must once have been like this, so rich in outer misery, cherishing such faith amid such oppressions. But this is past, irrevocably as in Europe and America, although in truth not quite so irrevocably as outwardly appears. For actually it is only the official Church that is officially dead. The sects, however, which even in pre-war Russia were of extraordinary importance, flourish and make large numbers of proselytes, and no one is able to say whether it is really the Old which is slowly dying here, or whether, conversely, the New is not developing new manifestations. Even the death of the old official Church is not proceeding without severe and even dangerous conflicts. For instance, an agitator comes to a village in order to advocate the closing of the church. The women of the village assemble and lock him up in the Soviet house, besieging him for two days until he is released by a posse of police which has been summoned by telephone. And this happens several times in succession, until a promise is given that the village church shall remain unmolested. More dangerous still to the régime is the resistance of the Mohammedans. In Georgia and

Aserbeidjan, the campaign of cult destruction, conducted by zealous youthful Communists, and even a too vigorous campaign against women's veils and similar things, have provoked local revolts which in isolated cases threatened to grow into formidable insurrections. And there are large numbers of believers among Protestants and Jews, especially among the elders.

Nevertheless, secularization has made rapid progress and continues to do so. Churches are pulled down in order to make room or to furnish building material. Tiling à la Lenin, as this is commonly called. Large numbers of churches are converted into Labour clubs, with slight alterations which come so much cheaper than new buildings, and the most beautiful and most artistically valuable churches are turned into museums, carefully preserved and renovated, the removal of redundant structures and decorations throwing their severe beauty into stronger relief. Divine service is no longer held in them, but sufficient churches remain for this purpose; and where this is not the case, the régime is careful to prevent the exercise of coercion by a minority, and to ensure that churches are sequestrated only where such is the desire of a majority of the population. Its campaign against the churches, which is stern and vigorous, proceeds on other lines. The State disfranchises the priests politically on the ground that they used to degrade the faith into a pliant tool of Czarism. The effect of this is to close to the children of priests the road to the higher schools, and many priests have resorted to divorce in order to facilitate their children's educational advancement. As the State no longer pays salaries to priests, the latter (who have also forfeited the salary they used to receive for religious instruction, and in the country have lost the

rents they used to receive from glebe land, formerly leased but now confiscated) are entirely dependent upon the voluntary contributions of the faithful. On the other hand, the State taxes the candles consumed by the churches, and it suddenly imposes other special taxes on the churches, for street paving and similar purposes, so that the priest must go round collecting secretly at night if his church is not to be closed. As would naturally be expected, the stream of voluntary contributions in Russia is much scantier than in other countries, where the separation of Church and State has rendered the priesthood similarly dependent on voluntary offerings, because in Russia the people are poor, and because—in contrast to the esteem in which the Church is held—the priest as priest has never been much respected. In addition to this, the State does nothing further for the education of the priesthood. It maintains no theological faculties at the universities and no seminaries. Moreover, it does not tolerate any private institutions for this purpose. The consequence is that quite illiterate persons are sometimes ordained, particularly in the Orthodox Church, where all these things are having the most palpable effect. Thus the priests are gradually dying out. "Their number declines parallel with the falling demand for them, and if a time comes when priests no longer exist, it will be because they are no longer required", I was coolly informed by a provincial minister of education. To these considerations must be added the State control of the economic position. The Bible, as well as church books, and even church newspapers, may in theory be printed, but in practice the nationalized printing-works do not print them, and the number of small private works is continuously declining, or else such works cannot obtain supplies of paper for such purposes. The

Bolshevist system is more expert in the deliberate manipulation of economic key-positions in order to produce mental changes and in the ruthless employment of economic resources for the restriction of intellectual freedom than capitalism, which is certainly no novice, has ever learnt to be. This example, which is only an example, is instructive.

The most important agency of secularization is, of course, the school. There is no religious instruction and no ecclesiastical material in the school books; confirmation classes are permitted only for small groups, and, of course, are only voluntary; while the Bible is not read and not known in the schools—that is the method. And lastly, there is a vigorous anti-religious propaganda by the leagues of youth among young people, combined with a correspondingly contemptuous treatment of children attending church by their comrades.

The Religion of the New World Order

I am in the Marx-Engels Institute, with its enormous treasures of relevant broadsheets, pamphlets, and books, which have been laboriously collected throughout the world, and which, when the originals have not been for sale, have been photographed in order to leave the fewest possible gaps in the collection. My glance happens to fall upon a brochure in a showcase; it is dated from the year 1856, and bears the title: *The Religion of the New World Order.* This might stand as a motto for the entire exhibition of the Institute, which, arranged with consummate skill, introduces the visitor to the portraits and documents of the European Revolution, culminating in the name of the man who appears to be regarded here as the precursor

of everyone who has thought, struggled, and suffered —the name of Karl Marx and his compeers. The religion of the new world order: to elevate the Marxian doctrines to this rank, to collate and to explore their holy scriptures and everything that is even remotely connected with them, is regarded here as the supreme aim of science. It is the object of the immense work of instruction and propaganda whereby Soviet Russia unceasingly strives to remould the minds and the souls of its people. It is terrible to think that no free thought exists here any longer outside this new religion.

Within these limits a considerable amount of scientific work has been done in Russia. At first only those university teachers who were hostile to the régime were eliminated, and it was thought sufficient to replace them by the greatest possible number of supporters of the new order. But in recent years, and particularly since the revolutionary tendency which set in after 1927, the purging process has been carried to greater lengths. The old scholars are being ejected in increasing numbers, and even doctors and technicians are being weeded out with increasing ruthlessness, irrespective of whether their influence might be politically dangerous, or even whether their ways of thinking harmonize with the dialectical method of the Master. And the mental compartments of philosophy, sociology, and political economy tend to become exclusively occupied by sworn Communists.

Here then an intellectual monotony is cultivated which, if it proceeds unchecked for a number of years, must lead to a frightful mental impoverishment. The new Church is undergoing the process of dogmatic codification. The superior orders of the Church receive their recruits from the ranks of adults, but for the lower orders of the new Church there are special probationary

institutions, the Party schools, where leaders of reading-rooms, of leagues of youth, of co-operatives and collective farms, and social workers are educated at public expense. The pupils are young persons of both sexes, between nineteen and thirty-five, who have already distinguished themselves by special activity in their village. Without any education, save that afforded by their village school, they come to these Party schools, which during the first year are mainly devoted to freshening and supplementing their elementary knowledge. A lesson in newspaper reading to which I listened in one of these schools was a really pitiable spelling performance, revealing a very slight understanding of very primitive things. Afterwards the pupils are sent back to active work in the village, and those who in the judgment of the village council acquit themselves worthily return for a further two or three years' training, when they receive a thorough drilling in the dogmas, so that at the conclusion they can be dismissed as fit candidates for ordination. For initiation into the higher branches of the Communist service there exist special Communist universities.

As is only to be expected, what is acute and ingenious theorizing among the leaders easily degenerates into atrocious platitudes among the multitude. Nevertheless, it is astonishing what one frequently hears in the way of crude materialistic pseudo-culture from men and women even in the higher branches of the service. The solution of the world riddle which was in vogue with us in the 'eighties and 'nineties of the last century is now enjoying a revival in Russia. It is not only popular among individuals, but is the intellectual foundation of the social system, and also the basis of the whole educational system. Appallingly crude simplification of Darwinism forms even in the school-books the

introduction to a system of political and social doctrine which is taught instead of religion and history. Next to elementary subjects, it represents the chief educational agency and the chief educational pabulum in the first school stage, and is replete not only with enthusiastic faith in the New, but with perpetual denunciation of the Old.

Yet these school-books are compiled with really great skill and a strict consistency which in their way extort admiration. In front of me lie the five reading-books for the German elementary schools of the Ukraine, which are used in all German schools in the Soviet realm, in the Volga Republic, for instance, and which conform to the typical Russian reading-book both in spirit and design. Here is a list of the contents of the fifth volume, the reading-book designed for children of fourteen:—

1. The Struggle for Existence (including a poem by Max Eyth).

2. Intellectual Bondage (*inter alia*, Goethe: *Prometheus*; Multatuli: *Thygather*; Heine: *The Eiapopeia of Heaven*).

3. Against Tyrants (with a powerful revolutionary passage from Lenau's *Faust*).

4. The Great Peasant War.

5. The Year 1905 (with revolutionary poems of Gottfried Keller and Ferdinand Freiligrath).

6. The Yoke of Capital (with a quite short but powerful prose piece by Tolstoi, "Sanctified Institutions", which concludes with the sentence: "It is correct to say that wealth is an accumulation of labour; only what usually happens is that one person does the work and the other—the accumulation. This is then called by wise people 'division of labour' ").

7. The World War (with a passage from Henry

Barbusse, and a very human poem, "Brothers", by Heinrich Lersch).

8. The October Revolution.

9. The Revolution in Germany (concluding with a very bitter poem, "Peace and Order").

10. Our Leaders (with the homely speech which Lenin's life-partner, Madame Krupskaja, made at his bier, and which contains the sentence: "In these days when I have been standing by the coffin of Vladimir Iljitsch I have been thinking over his whole life, and now I will tell you the following: His heart beat with warm love for all the oppressed. He himself never said so, and I perhaps would not say it at another and less solemn moment").

Finally, 11. New Life (concluding with the verse, " The new world is different from the old, only because Labour is different in it").

This is an example. For the secondary schools the political material already contained in the reading-books is supplemented, among other things, by a short and also very skilfully compiled textbook of sociology, which ranges from the rise of the human race and from primitive communism through the slave society of antiquity and feudalism to capitalism and socialism, with a plain description of the Soviet constitution, its aims and its economic foundations, etc.; in such secondary schools I have occasionally encountered some really astonishing examples of economic knowledge.

Here too may be seen *ecclesia militans*. The children are consciously being educated as citizens of the new State, and inspired with a credulous fanaticism, or with a fanatical credulity, from the primary stage and even earlier in the infants' school and the nursery. Where pictures of saints and of Czars used to hang,

there now hang in every room of a public building and in numberless private dwellings, down to the most remote village huts, portraits of Lenin and other revolutionary leaders. And where children used to draw and paint Biblical texts, they now draw and paint the texts of Communism, which are scattered all over the decorative red anthologies: "Alcohol and religion are the worst enemies of the peasant", " Do not elect any class enemy to the Soviet"; such and similar texts I discovered, for example, in a Caucasian German village school. It is really a new Church which is here being systematically instilled into the hearts and minds of the people. And it is in keeping with all the other things that we have described that the statutes of the Leninite Communist League of Youth of the Soviet Union should contain the following injunction: "Every member of the League must be mindful every day and every hour to obey Lenin's commands and justify his name by his life and influence both inside and outside the League. He must uphold the honour and dignity of his organization and of the red communistic banner and protect it like a shrine."

Such is the nature of the religious vow in Russia at the present time. The words are almost the same as those which God addressed to Moses on Mount Sinai:—

"Ye have seen what I did unto the Egyptians, and how I bare you on eagles' wings, and brought you unto myself. Now therefore, if ye will obey my voice indeed, and keep my covenant, then ye shall be a peculiar treasure unto me among all people, and ye shall be unto me a kingdom of priests, and an holy nation."

The Emancipation of Woman

Material factors have united with mental factors in producing a profound social transformation, and the changed position of woman is particularly characteristic of this. We are familiar enough with the fundamental alterations in this respect which have been brought about by capitalism, industry, the growth of large towns, and finally the war. The changes that have occurred in Russia are of the same kind, except that there they have been carried out more radically, more deliberately, and more generally. Above all, there is lacking in Russia the institution which in our case, despite all subterranean changes, maintains on the surface, outwardly, the appearance of traditional continuity, for in Bolshevist Russia there is no uppermost social section, no leisured class, no bourgeoisie. Thus in the bleak uniformity of proletarian life there is only the proletarian woman, exhibiting variations—mentally and materially—only so far as the régime tolerates variations of income, modes of life, education, and intellectual endowments. "We do not any longer have women as wives, but as responsible workers", as an official put it to me. And a woman of the same type expressed it in the words: "We used to be only the wives of our husbands, but now we are independent."

And a fundamental change of this character has in fact been actually carried out. Only those women who are tied to the house—or rather to the apartment—by small children form an exception, and even this is by no means absolute. For many of these young mothers, and even a large number of women workers,

prefer to follow an extra-domestic occupation, and to keep a servant to look after the children, do the housework, and also make the daily purchases, which involves infinite time and trouble with the long waiting outside the shops. This is a division of labour which provides an opportunity of employment for unskilled women fresh from the country or even older women, and at the same time affords the others the chance of earning more money by following a skilled occupation. A division of labour, moreover, which is very frequent between mothers and grandmothers, enabling the younger women by their labour to support the past and the future generation at the same time. Moreover, social institutions attached to the factory and the municipality relieve working mothers to a large extent of the care of the children. The expectant mother enjoys wide privileges. Weeks before and after her confinement she is released from work, whilst she receives wages and salary in full; medical attendance, reception in hospitals, and similar things are very much at her service. After birth, however, everything is so arranged as to render the mother largely superfluous. There are crèches and infant schools in charge of a trained staff, and subsequently the children are admitted to the schools. The mothers bring the children there when they go to work, even infants in arms, whom they feed during intervals of work allowed for this purpose. I saw in a factory a crèche which, exactly like the factory itself, was functioning twenty-four hours a day, the children changing in three shifts exactly like the workers! Even in the large clubs there are special rooms with special nurses, where the children are stowed away, to play or to sleep, if the mother desires to continue her education after work, or, if on pleasure bent, to visit the theatre or the

cinema. And in addition there are children's homes, children's convalescent homes in the country, and school excursions for whole classes.

In this way women of every mental type have made great progress towards the regular practice of a calling and the earning of an independent livelihood. There is indeed urgent reason for this, as the incomes of their husbands do not as a rule suffice. One actually encounters women in large numbers in all walks of life doing heavy manual work, in iron foundries, as tractor-drivers in overalls, associating with men in the wild solitude of the camp, in all kinds of factories, in the composing-room, but also in the editorial room, as well as in all intellectual vocations generally, and likewise in political work. That women with children at their breasts take part in the opening session of a great State Soviet, which is equivalent to the solemn opening of Parliament, is a spectacle that apparently causes no surprise.

It is strange how this love of child and desire for child, which, despite the abortions that are officially permitted and carried out in the hospitals, and despite the birth-control propaganda that is likewise openly and legally conducted, is evidenced in the extraordinarily high birth-rate, persists despite the considerable restrictions on family and domestic life. Men, women, and children all live independent collective lives, the desire for domesticity and the home is considerably restrained, and marriage has largely degenerated into a purely physical relation of the sexes.

And this is also the spirit of the law. Marriage and divorce are quickly transacted without many formal difficulties by mere intimation to a registrar. A declaration of such desire by one of the parties is sufficient to dissolve a marriage. If there are children, the party

(husband or wife) who does not have the custody of the child must pay the other party an allowance for this purpose, which is as high as a third of the income; but this amount, which is the maximum for an only child, decreases if it has to be divided among several children, or, in course of time, even among several marriages subsequently contracted and dissolved. This shows that the formal legal equality of the sexes has not yet been properly put into practice. The eternal problem of the woman who bears a child, and who is bound by blood to the child so much more closely than is the man, persists even in Bolshevist society. Already the authorities have been obliged to make arbitrary divorce by the husband somewhat more difficult, because it leads to unlimited exploitation of the woman. It has been observed that men in the country marry in the spring, in order to acquire cheap labour-power in their wives, and get divorced in the autumn, when the work on the land is over. And in Moscow there are cases on record where a man has married and divorced three women in succession in as many months. This was punished by the Judge as violation.

Easy divorce, freedom in the cohabitation of the sexes, has reduced prostitution as a calling to a minimum, and even in the great towns it is hardly in evidence. But the reverse side of this is a widespread libertinism, favoured by the living together of the sexes, which starts in the schools, where boys and girls are educated together as a matter of course, and continues with their working side by side in the factory—often with serious consequences, which, of course, are chiefly visited on young women.

A sidelight upon this was thrown by a discussion which was held in the spring of 1929 by the Leningrad

Girls' Organizations upon a subject which speaks volumes: "Why do girls drink?" Hence there is growing up among the most conscious section of female youth some sort of resistance to such practices as seduction, which in places has become almost openly a sport of boys, as well as to the social disintegration which set in during the war period and the first revolutionary period, and with which we ourselves are familiar. On the other hand, the old position of woman among the broad masses, deeply rooted in the life of the people, as it obtained prior to the war, has not been fundamentally changed by a few revolutionary decrees. The Eighth Trade Union Congress of the Soviet Union, in December 1928, passed a resolution which urged all unions to throw all their energies into the struggle "against drunkenness, against gambling, against reactionary customs, against brutal treatment of women", and against other remnants of the old mode of life among the working class, as well as "against religious prejudices". Against the brutal treatment of women! This is a candid admission, in spite of all the formal equality of wages. Of course, the evil complained of exists particularly in the country, not to speak of those nationalities where, as in the case of the Mohammedan Tartars, the emancipation of woman generally is in its infancy. The new land laws grant the wife the same share of land as the husband receives whereas in the old village constitution a share in the land was allotted only to men. It was, however, no accident that on the collective farms which I visited the women left the talking exclusively to the men and did not open their mouths. Terribly careworn and exhausted, they sat dumbly apart, looking quite old, until one discovered with horror that they were still holding babies to the breast. Torn away from the village community and

now thrown entirely upon the same narrow circle of comrades, it must be a hard and oppressive life that they lead there, in the solitude of the short, excessively busy summer and the long icy winter.

The Emancipation of Children

From the emancipation of the parents the emancipation of the children follows as a matter of course. This is sufficiently in evidence, although the fact is sometimes forgotten, in the working-class quarters of large towns in Western Europe. Visitors to Soviet Russia are too prone to compare what they see there with their own recollections of carefully guarded middle-class homes. This comparison is erroneous. One must take the proletariat as the starting-point, as it is proletarian children who are being brought up in a proletarian fashion in the proletarian life of this country. Again, as with so many other things, the vital distinction consists in the degree and systematic purpose with which the emancipation of children is being carried out in Russia.

From an early age they are assembled in collectivities, in circles, in groups. Here they collectively follow their fancies. Everywhere is self-determination, self-government, and self-discipline. Small child republics shaped upon the model of the adult ones: this is what it looks like. There is little room left for the family, just as the family, for its part, has little time for the children. And after the fourteenth year, the working-class child quickly drifts apart from the family, as he becomes an independent worker, as operative or apprentice, living upon wages or grants, and this tendency grows the more marked as the object of co-ordinating practical

work and technical education is more completely realized.

This is quite consistent in logic. And it is likewise consistent that during the transitional stage of the long revolution the political régime should systematically utilize this development for its political ends. However much may be done to educate the old generation, it must in the end be used as it is, but the new generation is to be brought up in the new faith. It is also, and in this lies the fallacy, to be trained as warriors against the old generation. Children warring against their parents is what actually happens in a large number of cases. Moreover, the fanatical campaign against the old churches often produces a fanaticism among children that is revolting. A woman Communist related to me with great glee a joke which her children had played on her mother, who was also living with her. They stuck a portrait of Lenin over the head of the saint in the picture before which the pious old woman used daily to say her prayers, and were jubilant when the short-sighted old woman, who did not notice it, continued to pray before this picture. And the mother of these boys, the daughter of the victim of the hoax, shared the jubilation and enthusiasm of the children.

Campaigns against the festivals of Christmas and Easter are organized among schoolchildren. Children press their parents to break away from the old customs, and launch a torrent of abuse at them when they refuse to do so. In short, denunciation is a point of honour, even denunciation of parents by their own children. And the counterpart of this is, of course, the cultivation of hypocrisy, early training in diplomatic evasions, and tactful silence on the part of children who still adhere to their parents and respect the tradi-

tions of the parental house, and who must learn betimes not to betray any such leanings. But this moral desolation is worst of all when children not only have to dissemble themselves, but can perceive quite clearly that the teacher is also dissembling, that he does not believe the infidelity which he teaches the scholars, and that he only submits to the system in order to retain his position. Here there are juvenile conflicts and juvenile tragedies, and they are not infrequent. But the position is worse when it is no longer felt to involve a conflict or to be a tragedy, when adults bring themselves to accept the doctrines, as opportunists trim their sails to the wind, keeping their own opinions to themselves when their divergence from the prevailing opinion might produce inconvenient consequences. This is the attitude, for instance, of many sections of students, who calmly allow small groups of implacables during the great purging operations to enforce the abdication of eminent specialists, while the mass of the students are simply silent; just as this is the general attitude of the non-Party men, who in the factory, in the Soviet, and everywhere else abandon the leadership to the Party cells without attempting to assert their own opinions. Civic courage does not exactly thrive under the dictatorship, which only tolerates strength of character among those who agree with it.

These are serious blemishes which are inseparable from the régime. They will become fainter in course of time, as the new Church succeeds in establishing itself in the hearts and minds of the people, and less intellectual sacrifice is involved in thinking and acting from the new standpoint. For the children who grow up honestly believing in it really spend a happy childhood, animated with pride, with hope and high endeavour,

and with the keen desire to become themselves co-workers in the great edifice of a new mankind. What was said of the Russian generally, that in spite of everything he holds his head several inches higher than he did under the old régime, applies particularly to these children, which the revolution is striving with might and main to mould into active citizens of a new age after its likeness.

The Russian and the Machine Age

It affects one strangely to observe how the Russian himself is undergoing a gradual transformation in all this historical drama.

Meierhold scored a big success in his theatre with a serial play, entitled *Klop* (The Bug), which was a satire upon the new Russian Americanism. The first act takes place at the present time with closed shops and wild street traders, and opens with the hero's wedding. "The wedding is opened." With this phrase, learned in the political meeting, the bridegroom greets the festive company, and that is the only serious speech. There is much eating and drinking, and the feast ends in general drunkenness and maudlin embraces. The second act of the play takes place fifty years later, and everything is changed. Everything is mechanized and rationalized, including human beings. Clean as a shelled egg, measured in every movement, all impulses curbed and completely bloodless, an audience of students is ranged around a professor of the same type, who is showing his pupils the hero of the first act, as a rarity preserved from the past, together with a bug found with him and similarly preserved. *Klopus communis et homo vulgaris*. On

being let out of the cage, this perfectly common man, obscene and dirty as in his former pilgrimage, and extremely bored by his fine new surroundings, steps up to the footlights, discovers the public, and exclaims joyously: "There you are all, you are all exactly like me, let me come up to you." But watchful attendants, elegant, clean, and tiptop like the entire circle, spring forward and drive him back to the cage, where he now crossly stretches himself like an orang-outang in the zoological gardens. Americanism has won.

Americanism is now actually to triumph here. In this country, dotted with thousands of churches of all denominations, where the people still sing their melancholy folk-songs, and in the winter months the peasants, while no longer painting their ikons, practise in wood and tapestry their beautiful old handicrafts; in this country, where so much old barbarism is so strangely mingled with so much old love and comprehension of beauty and of the spirit in every form, something entirely new is to be turned out almost overnight: the rationalized, rationally thinking, rational economically acting man of the machine.

The mechanization of work, and the rationalization of men which it involves, in other countries the result of a gradual development extending over decades, are to be carried out here within the shortest space of time. "We cannot always retain this Oriental attitude towards life which our people had up till the war. What are we to do with our immense annual increase of population?" a scholar remarked to me. And another described the problem to me in these terms: "You could always find these startling contrasts in Russia. It has always been the case that the great

mass of our people were living in the sixteenth century, and the thin upper layer of our intelligentsia in the twenty-first century. The one section far behind the age of the rest of the world and the other a good distance in front. The aim now is to bring about an approximate adjustment of these differences."

This is the one great change that is coming over the Russia of to-day, and it too is different only in degree and not in kind from what Western Europe has been experiencing for decades. The machine is revolutionizing man, and the peasant youths, who are turning their backs on the wooden hook-ploughs of their forefathers, and migrating from the quiet village to the noisy factories of the million-headed city, are a symbol of the New Russia.

Again, however, it is the methods and aims of education which are adapted to this development, and which, for their part, serve to accelerate its pace. Questions of technique and objects that are practically realizable are put right in the foreground, even in most of the great scientific institutes, and, of course, this is particularly observable in the curricula of the students. This higher practical knowledge is everywhere so urgently needed. "We no longer have any *universatus litterarum*, but only training institutes for specialists in the leather industry, the textile industry, agriculture, banking, and medicine", bewail the intellectuals here, just as they do with us. Culture is sacrificed to specialization. There is no doubt of that. Knowledge of ancient languages will have completely vanished before long, and a knowledge of European languages, which all educated Russians used to have as a matter of course, is also rapidly declining, as a natural consequence of the strong proletarian infusion

among the students and the marked proletarian complexion of the administrative departments. Little is done to arrest this decline, because the severance of Russia from the West, intellectually as well as economically, grows more profound as time goes on.

As to the disappearance of culture, while some lament, others enthusiastically praise the change. "Our intellectuals are no longer going to be the unpractical thinkers and dreamers they used to be, but are to be actively engaged in life. Advance! Progress!" Possibly they both exaggerate, the croakers and the eulogists. One afternoon in Moscow I was sitting with a well-known Communist economist, and, of course, we were discussing the Soviet system. Very soon I was able to restrict myself to short interjections, objections, and questions, and for the rest of the time I listened, my companion doing all the talking. The telephone on his desk rang once, twice, six times—he let it ring and went on talking. The room darkened as the shades of evening fell, and gradually grew lighter as the arc-lamps in the square outside were lit; it did not occur to him to light the lamp in front of him: he went on talking without noticing external things at all.

There he sat opposite to me, forgetting time and space in a passionate abandonment to the pure idea, in a fanatical frenzy, with the pathetic consciousness of having lived through and taken part in prodigious historical events. And that is really what many Russians are like to-day. For when I subsequently related this incident, an amusing guessing game sprang up. All kinds of people felt that they had been portrayed in this anecdote, every individual enumerating half a dozen of his acquaintances with whom I would have had the same experience. There is still the old, deep

spiritual urge, still the old enthusiasm for theory, with all the enthusiasm for things American in contemporary Russia.

The Change of Heart

Infinitely more profound, more important, and more fundamental, however, is the progress which has been made during twelve years of revolution in revolutionizing man himself—the degree in which the new way of living has imposed upon man a new attitude towards it. In this respect time, example, and facts are on the side of the change. Those who have just reached manhood no longer hate the past, although they have been imbued with such hatred, as crudely as do the old revolutionaries, whose whole lives have been one long series of sufferings and struggles. This young generation is quieter, more reserved, more constructive, because it has no longer to engage in destructive struggles. It has been taught to regard reorganization as its task. The past is really the past so far as it is concerned.

And this is also to some extent the position of the descendants of the former privileged sections now grown to manhood. They no longer feel the loss of privileges, which their elders found so difficult to endure, to be a real loss, as in most cases they have never enjoyed those privileges themselves. The fusion of classes is also making progress even in governing circles. With the older men of the administration to co-operate and mingle with the working class was always a task to which they had to accustom themselves by frequent practice, although they proclaimed their full conviction of its necessity; but it is no longer a problem for the younger generation. It is the state of things in which they have been brought up.

And so there is really growing up something resembling a new mode, a new ethic of the proletarian way of living, which is striving to become accepted as the general ideal of life. "It is simply unfair here to be prosperous, a person feels shut out from good society if he leads a life different from everybody else", an old Communist said to me. This certainly does not apply universally, for power, as I have already pointed out, is a strong incentive and a great attraction. A story is told of two boys who were talking about motor-cars. Said the elder, "I won't have a car, as otherwise they would think I was *bourschui*, and that would not do." But the younger laughed. "Ah", said he, "I will be a Communist, and then I will have a car!" Nevertheless, it is touching to observe how quite a number of young people originating from the former comfortable classes have deliberately submitted to the new way of living, men and women. Not only do they work and co-operate—this they have to do, whether they like it or not—but they want to do so, and that is the vital point. They may hold varying opinions about the prevailing system, they may be hopeful of the future progress of their country, or full of anxiety regarding the future; they may resent the loss of political freedom, or tolerantly submit to the political severity of the transition. They may also bear the material privations of the present in different ways: some with calm indifference, others with longing to be able to breathe freely again and to take things somewhat easier. But as regards one thing all these people are in agreement with themselves and with the great bulk of the adult population. They can form no conception of the old way of living as practised by the former privileged classes. To them it seems soft, senseless, and unreal. They have no longer any attach-

ment to the old life. And the West, even the Russian emigration living in the West, is so alien to their lives and even to their wishes, that they regard a return thereto as something to be rejected as inconceivable. And in this change of heart consists, in spite of everything, the chance of this revolution.

The Collective Man

Every revolution is a sublimely terrible experiment of history. It is never good nor bad, but both good and bad at the same time. And the people who are its instruments pass through it with tears and with rapture, with deprivations—material and intellectual and human—and with credulous hopes for the future, if not for all, at least for a section. Developments which otherwise would perhaps have been the result of long decades are violently compressed within the delirious period of a few years. Its course resembles a tornado; men change, methods change, plans change. But the law by which it proceeds determines its course and its fate.

As regards the Bolshevist Revolution this law is called the realization of socialism. For twelve years it has been straining after this object. But just as Marxism has never defined its aims except in a negative way, the overthrow of capitalism and its evils, nor given a clear picture of the realization of its objects, so Bolshevism refuses even to-day to produce concrete plans for their fulfilment. Who can say what socialism will look like? It will change men as well as the foundations of their existence, their needs, and the technical possibilities of their satisfaction. Remains only the goal: abolition of classes and the establishment of a classless society. And that means more concretely, although still put in a negative way, no private ownership of the means of production, no capital to invest in private enterprise, and no entrepreneurs employing and exploiting private alien labour-power. Each individual to be at liberty to consume what proportion of

the whole is allotted to him. He may acquire and bequeath property in consumable goods so far as he is able and permitted to do so, but there is to be no capital in the proper sense of the term, no exploiting of capital any more than exploiting employers.

In this, let it be emphasized as strongly as possible, lies the immanent contradiction which continually besets Bolshevism and which is the source of all its difficulties and all its internal struggles.

Bolshevism has nothing in common and desires to have nothing in common with Utopian Socialism, upon which Karl Marx poured his withering scorn. It holds that for the majority of men egoistic and material motives are necessary to make them work and achieve something; that only a minority of men—at least only a minority to-day—exert themselves or are actuated by reason of inner, non-economic motives, and that everybody needs the incentive of satisfaction and success in work in order to put forth their best efforts and not to slacken. This, however, implies the principle of piece-work, using the word in the broadest sense.

Private enterprise is based upon this principle.

On principle it lets everybody work for piece-wages, giving everybody a chance of doing something, a chance of material success, and a chance of personal success, a chance to enjoy good things, to get on, to become influential and to exercise power. Private enterprise also allows the business man to work on piece-rates: do, think, dare, organize, seek out new ways and means, so that the community may benefit from your exertions; this community will then allow you a greater profit than the others. And private enterprise also allows capital and capitalists to work on piece-rates: decide whether you would rather sleep well or

eat well, whether you prefer to have the safety of rents or the uncertainty of dividends from shares or a business. If you choose to take a risk, you will have the chance of profit as well as the danger of loss. Piece-wages for everyone, for the business man, for capital and capitalists. This may be very costly to the community, especially if business men and capitalists utilize their scarcity value in order to secure very high piece-wages, and it may prove the more costly in the degree that they are able to utilize political power in the State in order, by representing their own interests to be identical with the interests of the community, to further those interests still more. But this may be profitable to the community, if it should result in the creation of a larger social product than would be available to all without this powerful incentive. This is the principle upon which private enterprise bases its calculations, and the colossal increase of wealth during the preceding century, and the substantial improvement in the standard of life of the whole population, in spite of the immense increase in their numbers, is undoubtedly owing to these considerations.

Bolshevism, which avers that it is not yet socialism, but is only a path to socialism, recognizes and repudiates the above principle at the same time, and is continually fluctuating between recognition and repudiation. It thought at first, in the period of what is now called war-communism, that it would be able to jump the transition, and in acting on this belief it came badly to grief. Since then it has respected the principle because it must, but only so far as it can do so without sacrificing itself and its aims. It wants to produce, and indeed to produce much. And it wants to accumulate capital, indeed as quickly as possible, the more so as the assistance of foreign capital is

almost entirely withheld. Consequently, it only exposes its supporters, the members of the Party, to the play of intellectual motives; and even they do not fall entirely within this category, as differences in income exist among them, although governed by the narrow limits of the maximum income and the differences in position, in economic importance, and in the exercise of power which Bolshevism supplies as strong incentives. For the rest, however, it tolerates piece-work for the workers, it tolerates piece-work for skilled work, for higher education, for which it pays more highly; it tolerates piece-work for the industrious who fill several positions at the same time, because the remuneration attached to one position is not sufficient; finally, it tolerates the principle of piece-work for the overwhelming majority of its population, who do not work for wages or salaries, but work on their own account as peasants, as handicraftsmen, or in the manifold varieties of urban vocations, for their own account, even when they are affiliated to small or even large co-operatives, which still remain subject to the incentive of private enterprise, the principle of piece-wages. Bolshevism tolerates all this. And it assimilates private enterprise to such an extent as to adopt its motives, its forces, and its sources of success.

But it seems to be acting in accordance with the law of its being. If it now gives it free play, it will very soon occupy the position from which it set out. It began with the abolition, the confiscation of private property; now new property is being created. It began with equalization, with levelling down material and social differences; these differentiations are now reappearing. It began with the expropriation of the expropriators; new expropriators are now taking the place of the old. It began with the abolition of classes

by abolishing the capitalists; now new capitalists are emerging, and with them a new class distinction is being drawn between rulers and ruled. This did not, however, signify a mere reversion to the old position, and was certainly not intended to be so. On the contrary. The new political power, by democratizing itself, could decisively impose a nascent differentiation as the consistent realization of democracy, the new law of social right and of human freedom. And in the country, in which the October plough of revolution prepared the soil, such a seed could thrive better than elsewhere. Old Russia is dead. And in the new Russia, although revolution merged into reform, a new economy and a new society could form itself with exemplary impressiveness. To be sure this would not be socialism in the doctrinal sense, as Bolshevism clearly recognizes, and therefore it defines its limits with ruthless precision: the limits of variations in income, the limits within which personal property may be accumulated, and particularly the limits within which this property may be employed. For it will not suffer property, even within the narrow limits set for it, to be transformed into capital, into a power which controls the means of production, which are reserved to the State and to the community. And where it still remains in the hands of individuals, as in agriculture, these individuals must themselves be collectivized and socialized. That the free and independent peasant working on his own account is of value in himself, has value as a type of human character, and is at the same time a source of strength for the nation and the State, is a conception totally at variance with the prevailing system. Hence the new agrarian policy.

All this is logically consistent, and the only question

is whether it is working, whether the experiment is succeeding. This question, too, is recognized. Hence the perpetual and tireless agitation which aims at replacing the weakened incentive of piece-wages by other motives: the feeling of partial ownership of the social wealth, a pride in what has already been achieved, which sees a guarantee for the future not only in the unquestionable emergence from the depths of calamity, but also in every individual thing, in every new block of houses that is built, in every new factory that is erected, and, above all, a hope for the future. Hence also the ever-recurring struggle among the various sections within the régime and the constant fluctuations in its policy. This does not yet involve the question of abandoning its aims, but only relates to the pace of development. The question at issue is not as yet the abandonment of aims, but only the pace at which progress is to be made. There are some who see in every act of delay the beginning of a reversion to capitalist society. There are others who, conversely, fear that precipitate action would provoke discontent among the peasants or the workers, and expose Bolshevist rule to the danger of overthrow. And so the policy of the régime proceeds in zigzag fashion, at one time loosening the reins of control, at another time drawing them all the tighter. In any case, it is holding the reins, and even if it should transpire that the method is not working, the régime will not release the reins of control except after desperate struggles, for it holds the power. But it signifies a good deal to introduce an inner change which involves ultimately the abandonment of previous aims.

Will it work? Will the gigantic experiment of Bolshevism succeed? It is presumptuous to answer this question at present with a yes or a no. Any such

answer would in truth be a preconceived opinion derived not from a capacity for impartial judgment, but from the belief which was held at the outset. Those who know the facts in all camps, Communists as well as their opponents, even in Russia itself, are agreed as to this. Nothing more than an interim balance sheet is possible to-day. For this revolution, protracted like all great historical processes, is still midway on its course, and who would be bold enough to predict this course? Economics, however potent a factor it may be in primarily deciding aim and outcome, is in this connection only one instrument of destiny among many. And even economics is moulded by the peculiarity of the country in which this unique experiment is being conducted quite as much as by the principles of its practitioners.

Generally speaking, the differences between private enterprise and the economy of Bolshevism as they appear in actual life are by no means so sharply defined as mere theoretical simplification would lead us to expect. Both, in fact, private capitalism as well as Bolshevism, occasionally contravene their own principles with corresponding results. The general scarcity in the country of Bolshevism is obvious. But privation and misery are indigenous plants in the West. And it matters little to those who stagger under these burdens whether they are oppressed by the harsh measures of a Government acting on principle, or whether they are condemned by economic law, in which connection it often happens to be economic laws wrongly understood and falsely interpreted, as in the case of degrading employees who exceed the forty years' limit. The false expenses of the Bolshevist system are obvious enough: the enormous obstacles of the gigantic bureaucratic machinery, the mis-

directions of the central regulatory power, the friction which ensues when what is decided above has to be carried out by the defective human material below, and the paralysis of all responsibility and initiative. The self-sacrificing efforts of individuals assuredly can only compensate for this to a very small extent. Private capitalism also has its *faux frais*, and it has them to a considerable extent: the false expenses of wrong calculations, wrong capital outlay, and defective human material. But here at any rate are a number of reasonably efficient correctives. Very serious, however, is the other point, viz., that even private capitalism encounters stubborn obstacles when it seeks to enforce the principle of payment by results, the principle of opportunity for all upon which it is based. And these obstacles tend to increase. To indicate only the most obvious of them, where is freedom of competition in the capital concentration of the giant undertakings? Where is equality of opportunity in the industrial principalities, with their huge armies of mechanized workers and employees? Where is selection and free promotion to be found when the positions of high command in the economic system are filled almost like a hereditary dynasty by the same narrow ruling caste, into which scarcely any of the anonymous millions are able to penetrate? In this connection private enterprise repudiates to an increasing extent the principle of payment by results, in which it resembles Bolshevism, although its motives are quite different. And the more it does this, the more it is exposed to the danger of ossification and paralysis. Upon this point the difference between the two systems is one of degree and not of kind. Yet with all these impediments capitalism continues to exhibit great capacity of achievement. And if Bolshevism to-day may still hope to maintain itself,

it is mainly because, in spite of all the immense difficulties which beset it at the beginning of its career, the country over which it rules is relatively simple and primitive in its economic arrangements. At the outset Bolshevist doctrine assumed that nothing short of the triumph of the world revolution could assure the triumph of Russian Communism. And even to-day this hope, which is a spiritual tonic for many who have become tired or grown doubtful, is not quite extinguished. To this day one may occasionally hear from Russian Communists a profound sigh when they point out how much easier it would be to organize Bolshevism in their agrarian country if a powerful industrial country like Germany, for instance, would only come in with them and supply what the other lacked. On the whole, however, in view of the trend of world events during the past ten years, this hope has now become very faint. It has given place, in obedience to the dictates of necessity, to the new theory that the realization of socialism is possible even within a single country, a very un-Marxian theory.

Only in Russia could such a theory originate, that is, in a country which, if driven to it, can stand alone; which is able, if it must, to exist entirely shut off from world economy, without competing with foreign countries, without having relations with them, and with a minimum of exchange transactions with the outside world. Consider, for instance, the fundamental economic law of Germany from which we cannot escape, which was serious enough before the war, and which has now been accentuated by the severe penalties of the war and the consequences of defeat. Here is a nation crowded within a narrow space, compelled to practise an extremely artificial mode of living, to

import from abroad a considerable part of its food requirements, and an even larger, in fact the main, part of its raw material requirements, and to pay for these imports with the export of manufactured articles, that is, with the labour of hands and brains. As far as we are concerned, our life simply depends upon the export capacity of our industrial production, upon its competitive capacity in the world market, by virtue of which we have to buy what we need from outside, because it cannot be obtained or can only be procured in insufficient quantities at home. Exactly the reverse is the case with Russia. As regards this gigantic agrarian country, with its vast land reserves and its immense natural resources, nothing of a vital character, either with respect to agriculture or industry, depends upon any competitive capacity it may possess in the markets of the world. Of course, Russia might derive great advantage from exchange transactions with foreign countries according to the principle of division of labour, but she can quite well exist without it. And she has proved this to be the case for more than ten years past. Russian foreign trade has shrivelled up to quite insignificant dimensions, to a few hundred million roubles for both imports and exports. The agrarian country lives upon its own resources. It feeds and clothes its people. In this lies the broad basis of the Bolshevist experiment. If this experiment should raise the productivity of labour—and this is not a hypothesis to be excluded, as an improvement is undoubtedly to be recorded in comparison with the low level under Czarism, which, of course, does not prove much for the vitality of its system in comparison with that of private enterprise in highly developed countries—then its people would be able to live under correspondingly better conditions. If it should lower

the yield of labour, either directly through economic misdirection or indirectly through depriving the peasant, for instance, of interest in his work, or by diverting a great part of the social labour product (providing for the future at the expense of the present) to the enlargement of social capital, then its people must draw their belts correspondingly tighter. This may be and is very irksome, but it is not a matter of life or death, at any rate not for a long time to come. An industry with high costs of production and a recalcitrant peasantry is, at least, in the long run impossible, and this is recognized by the régime. Hence the five-year plan and the enormous exertions to carry it out. Whether the people will tolerate it in the meantime, and how long they will tolerate it, depends entirely upon their willingness. It depends upon their patience and their faith, and in the last resort upon the coercive resources of the régime, and upon whether and for how long it can compel their patience when it can no longer command their faith.

It is strange how, in spite of these very obvious facts, Bolshevism is perpetually being caught in the meshes of its own doctrines. This very materialistic doctrine is expounded by Lenin in the following terms: "The productivity of labour is in the last resort the most important and the principal factor in the victory of the new social order. Capitalism created a productivity of labour which serfdom had never known. Capitalism can and will only be definitely vanquished when Socialism creates a new and far higher productivity of labour." This is not merely said by way of encouragement. Bolshevism actually believes it. In doing so it puts itself in a very unfavourable position, for it would find it an extremely difficult task to prove or to make the masses believe that its socialism,

considered as an economic system, is superior to capitalism in respect of the productivity of labour.

But strange again: the masses do not seem to be in need of this demonstration. They have imbibed from the doctrines of socialism of yore quite a different gospel from that of the Sunday dinner, namely, the gospel of justice, of freedom, and of human dignity. They combined this idealistic gospel, chiefly during the first wretched decades of nascent industry, with urgent demands for the improvement of their material position, as was very natural, but this material betterment was never the sole aim. It was only the immediate objective. The attainment of these objects would open the way to wider vistas. "Arise, ye starvelings, from your slumbers. Ye hosts of slaves arise. We are nothing: let us be everything." And the refrain, repeated a hundred million times, "The Internationale unites the human race". Upon such exhortations as these is based the impression which Socialism—in truth a quite un-Marxian, quite undoctrinaire and quite idealistic "Socialism"—has been making in the minds and hearts of the masses for a century. This is their credulity, this is their yearning. And if this credulous yearning in Europe has largely turned to the socialist parties (although not everywhere to the same extent nor under the same forms), it is only because these parties have known better than any others how to make this eternal gospel more credible, more convincing, and more sure of the future. And, of course, the disillusionment is all the greater when these parties, having come into power, are unable to put their principles into practice.

This is also the case in Bolshevist Russia to-day. The economic result of the system is important, as the scarcity is great. And it must not become too great, as

otherwise it might explode. But if millions of believers are to-day following the red flag of Bolshevism, they are certainly not doing so because it promises them wealth in the future. It is hard to believe that idealist considerations should carry much weight with the masses—difficult to believe that they are now gladly suffering privations on this account; but if they are doing so (and many of them are), it is manifestly because they believe that their privations are the price for more rights and more freedom. The economic question is merely a problem, and this problem can quite well be posed in the form of an inquiry whether it is not preferable to purchase a more dignified existence at the expense of a more modest material existence, and whether, provided the deprivations were not fatal, this is not in truth the better existence. That is not how Bolshevist doctrine puts the question, but it is the implication of Bolshevist practice. For the source of its propagandist strength consists in the fact that economic power is no longer vested in individuals or in classes. Its system is State capitalism. But the power is not of a capitalist character. Everybody works, but nobody works to enrich others. And nobody serves so that individuals may exercise economic sway. The wealth which labour creates is common to all. And rulership is a common attribute, or is supposed to be. Such is the clarion-call of this revolution, and it is that which kindles the enthusiasm of the masses. It is easy to induce the believers to believe that this aspiration will one day be a reality, even if it is a long way from being such in the presence of dictatorship. As I have shown, this dictatorship, by virtue of the laws of its own development, may easily develop into its opposite, politically as well as economically, into the rule of a caste or a clique, into autocracy. But the

doctrine has it otherwise. It recruits its supporters from the new people, whom it is training as new citizens of a new society, and this faith is a tower of strength.

What has Europe to offer in competition with this faith? America finds it easier to offer a substitute, as its economic system is based upon abundance, and out of this abundance it can give its citizens faith in freedom, faith, that is, in another sort of freedom, wherein the State seems lustreless and indifferent, being essentially a contrivance for increasing abundance, while the individual understands by freedom mainly an easy access to his proper share in the heaped-up banquet—a kind of economic freedom from which the consciousness of political democracy flows naturally and which generates the self-confidence of the active individual independently shaping his own and his children's fortunes by freely exercising his faculties. Europe finds it infinitely more difficult to offer an alternative, for she lies—economically as well as geographically—in a painful position, midway between the soothing abundance of America and the exciting ardour of Bolshevism. What alternative has she to offer? Some say force, by which they mean in a very primitive way the force of the existing State which should be employed to put down ideas. Notoriously this is never successful in the long run. Others advocate the deification of the State power, which should forcibly extend its power both within and without its boundaries; the deification of the nation, in which the individual should merge himself, and contempt for freedom, which needs only to be made contemptible for men not to want it. This is the system of Fascism, and it would mean Europe's end. Again, others say, and they are in the majority, Europe may safely ignore Bolshevism, for

her immunity therefrom lies in the weariness, the indifference, and the hopelessness of her people. And they are probably right in this for the moment. For there undoubtedly prevails in Europe to-day a certain lassitude among the intellectual classes, who are void of aim and bereft of policy. As the aftermath of the fruitless suffering of the war and a long post-war period there is this lassitude, this incredulity, and this scepticism.

This position is extremely paradoxical. Bolshevism is based on quite materialistic foundations. Its instrument is the power of dictatorship. It preaches hate. But through it all there gleams, albeit darkened by the shadows of the present hour, distorted by its struggles, mocked even by many of its priests, the ideals of all great European revolutions, old and yet ever young, changing with the times, yet in their essence remaining unchanged. Facing it is Europe, whose State constitutions have been based upon these very ideals, for which its peoples have fought and suffered. In these constitutions they are codified. Here in the declarations of the rights of man, their homilies are ever resounding in brazen words. But these exhortations find no response in weary hearts. These constitutions, which must be rooted in the hearts of men to be vital, are in danger of becoming scrolls of printed paper. And very few Europeans seem to trouble their heads about the progressive realization of the ideals embodied in democratic constitutions, which the revolutionary changes in the modern world are imposing upon Europe with ever greater insistency. Russia is ardent, Europe is cold. This difference of temperature is intimidating. What a chaotic world!

In reality, however, Europe is threatened from the direction of Bolshevism more than it suspects,

threatened not so much practically, for Russia needs peace, nor threatened so much by the direct danger of a revolution breaking out, for Europe is at this moment wedded to repose, and the immediate practical results of Bolshevism hitherto have not been enticing. Nevertheless, the threat is serious enough, for it goes very much deeper. It is directed against those things upon which for four centuries, even since there has been a modern Europe and a new creative European spirit, this European spirit has set its highest value: it assails the right of personality and the personality value of the individual. The aim of Bolshevism is of a diametrically opposite character: a collectivized man, a collective man, living collectively a collectivized existence and collectively thinking, feeling, and aspiring. And Bolshevism has already made considerable progress in fashioning this collective man.

We shall not dilate here upon the chains which the dictatorship to-day imposes, politically and intellectually, upon the Russian people. This dictatorship is a necessity of the present; it will transform itself. And we can do no more than adumbrate the still unsolved question of what aspect intellectual liberty will wear, after the abolition of the dictatorship, with an economic system nationalized from top to bottom. It is not secured under capitalism in a particularly brilliant fashion, when the laws of supply and demand and profit calculations decide the fate of the lyrics of a new Goethe, or when private capitalist groups are able to decide what political opinions may be placed before readers in the newspapers they buy up. But at any rate competition and competing wills still exist here. With whom would rest the decision if all the printing-works and all the paper belonged to the State, which to-day in Russia, at least, only prints and allows to be

announced in the theatres, in the newspapers, on the platform, and on the wireless what pleases it? The future may also solve this question, and it will obtain freedom when it wants it. The appalling thing, however, is that Russians are to-day being taught not to want this mental freedom, and generally to unlearn the need for it. It is the collectivization of man.

It begins with houses, which are no longer homes, but mere dormitories, whilst the members of the families thus dissolved pass their lives in the common rooms of the houses, in the works, the clubs, the schools, etc. This springs in the first place from necessity, from the housing shortage, which tends to restrict the accommodation for individuals to such an extent that the idea is sometimes mooted whether dwellings in large towns ought not to be constructed in multiple layers, like the factories, and in Russia also the schools, concert halls, etc. It is necessity, but a virtue is made of this necessity, and of the virtue an aim. It is typical of this that the peasant communes envisage the common dormitories as an ideal worth striving for in preference to the peasant's cottage.

It follows from this that the individual is never alone, but is always merged in the mass. The starting-point of the system is the school. If the children want to play, then they must play a common game together. No one may play alone. And when the children learn, they must learn in groups collectively (again not merely on account of the scarcity of school-books), so that no individual should think thoughts peculiar to himself. They are organized in every conceivable kind of circles and groups, so that they are always together, always occupied, never alone. Thus they grow up collectively. And the process is intensified in the case of adults. On top of work, and when work

is done, everybody has a number of functions to perform which are in the nature of obligatory social services. There are meetings and discussions of all kinds of circles and groups to which he belongs, which occupy his time to such extent that he can never obtain any private leisure and is never left to himself at all.

The collectivized man is a public being. There exists nothing but masses, and thought itself has become standardized. Mass-thinking, uniform, stamped and approved, is inculcated by the teachers in the schools and the lecturers in the universities. They educate their pupils to such mass-thinking. And as a most serious consequence of this, the level of thinking falls in the absence of intellectual clash. With the decline in freedom of thought, its courage declines at the same time, for to think with the masses is both convenient and facilitates advancement in life. And one may to-day meet Russians, even Communists, who, in face of the aridity of the newspapers, the monotony of all literature that is published in Russia, and the uniform pattern of all thinking which is allowed to become public, are filled with dismay when they compare the present and future with the past! In Czarist Russia the general oppression kindled the flame of freedom in the soul of the individual. The intellectual constraint stimulated individual striving after intellectual freedom, and in struggle and resistance personality was created. The fire of thinking then burned in the small conspiring, revolutionary organizations. It was only this that made the Russian Revolution possible at all, as in the steel bath of the reactionary era the individualities of its leaders were fused into resolute will. Collectivized man does not revolt. The régime may reckon on this as a safeguard. The

régime has provided against this possibility, but at what a price!

It was a Communist who ironically showed me the lavatories in one of the huge central administrative buildings as a symbol of the new collective way of living. Long rows, separated only for men and women, but otherwise without any screening partitions for individual isolation—public, common, collective. They are constructed in like fashion in the urban parks. Even here there is no room for prudishness, no bourgeois craving for individuality—every human institution is collective! This sounds grotesque, but Bolshevism is partial to such whimsicalities.

Through the overwhelming majority of its representatives, Bolshevism does in fact aim at the collectivization of man. And in doing so it feels loyal to its own historical materialism, and the conscious executor of a destiny which would otherwise be worked out according to the immanent laws of development. "It is not we who are collectivizing man, but machines are collectivizing him. The machine which hauls the peasant youth into the factory: collectivization; which amalgamates the small concerns in concentrated large-scale undertakings; which conglomerates individuals into masses in the towns: collectivization! This phenomenon may be observed in the great sports gatherings everywhere in the world, where mechanized large-scale industry has actually carried collectivization into effect. Sport and Cinema are with us as well as with them the true symbols of this collectivization, which is advancing inexorably everywhere. And the distinction between us and the West consists only in the fact that we are determined to promote and accelerate that which without us would come more slowly and to which the bourgeois ideology of the West is so fond of shutting

its eyes in self-deception. Everywhere in the industrialized world man is becoming the collective man." In these and similar terms I have often heard the matter stated. And who would dispute the practical accuracy of this diagnosis?

But it is not only middle-class ideology which questions the general validity of the prognosis. For if this prediction of the trend of events be verified, a new revolution will assuredly come, although its arrival may be long delayed—a revolution of liberation from mass influence, a revolution to liberate from collectivization, a veritably human revolt. Europe might yet choose another path, that is the path to social justice, to human freedom and dignity, combined with the aim of protecting man's right to his own personality from the forces which threaten to submerge it. This would be the fulfilment of the century-long task which it has set itself to perform for mankind. It would be the crowning achievement for humanity. But this task requires all its energies and all its determination.

EPILOGUE

Spring 1930

The tension has increased. Carrying the maximum load, the machine is running with strange noises which betoken danger. It is creaking and cracking as it revolves. Such is the impression which all the facts and reports made public in the last half-year unite in giving.

In this short epilogue it is my intention not to give a record of events, but to continue to trace the main lines of development as they have been sketched in the preceding pages.

The reader will remember that with the five-year plan and the collectivization of agriculture, which were the two fundamental decisions of the year 1928–29, Bolshevism—Stalinism—struck out a path to Communism, as it intends to realize it, with a consistency that is implacable to the point of cruelty. The first objective to be achieved is the clearance of all that was left existing of the old remnants of privileged positions attaching to private enterprise and the old sources and old opportunities for such. Hence an intensified campaign against private industry and private commerce, and the sharpest oppression of the Kulak to the point of his virtual extinction. But the second objective is the building up of a society which—and this is much more difficult—will in future prevent the old from again sprouting out of the new soil in the course of the natural development of things, according to the natural impulses of men, so that new social differences will not again arise from the natural differences among men nor new propertied classes gradually arise in place of those that have been stamped out, nor new positions of economic power gradually develop in the hands of

private individuals. Hence the occupation of economic high commands by the State. Hence the new agrarian Communism. And hence the prodigious forcing of the pace by the five-year plan.

It was inevitable that this new revolutionizing of aims would lead to a new revolutionizing of the struggle and its methods. This had already been announced the previous year, and the tendency grew stronger and stronger up till March 1930. The new introduction of the five-day week (four days' work followed by a rest day) is only a symptom of this, but a very instructive one. The maximum utilization of the scanty means of production by continuous work in alternating shifts is the economic foundation. But the family is liable to break up more rapidly now that husband, wife, and children work and rest at different times, and thus an increased collectivization of people is a secondary result. And an intensified campaign against the churches, whose Sundays and saints' days have simply been dropped out of the calendar, is an additional consequence that is no doubt deliberately intended. Generally there is a more revolutionary campaign against the churches, a more brutal suppression of every opinion which deviates in any way from the official doctrine, and the direct enlistment of youth and its associations, which are packed more tightly for the agitation and for specific tasks, to assist in the perpetration of these intensified brutalities—all this results from the heightened tension. The renewed harassing of foreign concessions within recent months is all part and parcel of this tendency.

What is the upshot? Regarding the first year under the sway of the five-year plan, which ended on September 30, 1929, official figures have been published which sound like a bulletin of victory. According to

them, the production of State large-scale industry in this first year 1928–29 was increased by 23·7 per cent. against 21·4 per cent. contemplated by the plan, the output of the industries manufacturing means of production alone increasing by 29·8 per cent. against 25·6 per cent. The output of the electricity works, which according to the plan was to grow by 14 per cent., rose by 20·3 per cent. But not all the tasks prescribed by the plan were accomplished in this way. Neither the rise in the real wages of the workers nor the fall in the prime costs of production was completely realized. Moreover, the quality of industrial products manifestly suffered a serious deterioration in many instances. Hence ever since last autumn the Soviet Press has been voicing, much louder than before, a growing volume of complaints about this deterioration in quality, complaints about the deterioration in labour discipline in the factories, complaints of bureaucratic shortcomings, and generally complaints about defects in industrial production and distribution. It is notorious that these complaints are likewise part of the system. Self-criticism is exercised unsparingly and unashamedly in the full glare of publicity, as a means of stimulation, of agitation. Allowance must be made for this. Yet a core of substance remains which must be taken seriously. The machine is really running with all kinds of strange disquieting noises. Bureaucracy, the inevitable accompaniment of every system of economic design, proves to be a considerable plague. And the scarcity of qualified workers, trained by tradition, of technicians, and of experts in all branches, makes itself felt all the more keenly in the degree that the pace of industrialization is forced.

Nevertheless, the control figures for the second plan year, 1929–30, beginning on October 1st—the revised

figures to serve as guidance for what must be achieved this year—do not envisage a slackening of the pace, but, on the contrary, imply an acceleration of the original intentions of the five-year plan. To mention only a few figures: investments of capital in the economic system, fixed at 8·5 milliards in the year 1928–29, and in the plan for the second year at 10·2 milliard roubles, will, according to the revised plan, now amount to 13 milliard roubles, over 50 per cent. more than in the previous year. Thus there is a further heightening of the tension, a further forced competition between sacrifice and patience. Is this a proof of strength which, in framing the five-year plan, underestimated its actual capacity, or is it, conversely, a despairing effort on the part of men who believe they must make the pace quicker still so as not to succumb in the contest? This is the question that is ever recurring, to which only the future with the logic of facts can give an answer.

The decisive struggle—in the long run decisive for the existence of the régime—is being fought out in another sphere, in the sphere of the village. How is Communism being built up in a country with 25 million peasant farms? To this crucial problem of Bolshevism as I have described it, Stalinism in the preceding year decided the answer, that there was only one real solution, that is, to guide the peasant farms themselves into Communism by collectivization. To transform the peasant working for himself into a worker in an agrarian factory, and thus establish the social equality of Communism between the industrial worker and the peasant, between the town and the village—in this and in the simultaneous obliteration of the Kulaks Bolshevism now perceived to lie the goal, and to this end all its efforts have been bent in recent months.

It must have been a struggle which in many districts was not far removed from the horrors of the civil war, conducted with the wholly ruthless cruelty of neighbour against neighbour, and further intensified by the narrow-minded malevolence of petty party tyrants of the lowest order let loose upon the village with all restraints removed.

At first the régime sang chants of victory. As early as the middle of December it announced that the grain allotment for the town had been completely supplied at this early date, with 103·3 per cent. of the year's plan figure. Only gradually did it leak out that in many cases this had only been possible by sheer oppression and hard squeezing of the village.

About the same time the régime also announced that the rounding up of the peasants in the collectivities had been going on all over the country with increasing momentum, that even in the first year of the plan the collectivization prescriptions of the five-year plan had been considerably exceeded, and that the stream of peasants into the collective farms was now swelling into uncontrollable dimensions. After these triumphant tidings the complete extirpation of individual peasant economy, the entire blotting out of the Kulaks, appeared to be only a question of a few months. Then at the beginning of March, throughout the Party Press (and broadcasted by radio into the remotest village of the Soviet Union), Stalin emptied the vials of his wrath upon the Party bureaucrats who had been intoxicated by their own success. In the sternest language he censured the "policy of the sergeant-major", which by its coercive methods had falsified the aim of collectivization; he called to account the bureaucratic fanatics who had forgotten that the successes achieved had to be consolidated in order

to be systematically utilized for a further advance. And he proclaimed what the Central Committee of the Party confirmed in even stronger language in the middle of March: compulsory collectivization was to be suspended, as also was the compulsory socialization of dwelling-houses, small cattle, and the baiting of the Kulaks, as middling peasants, and sometimes even poor peasants, had been disfranchised as Kulaks in the fury aroused by hatred and envy. There was to be no compulsory closing of churches unless it should be the express and genuine desire of the overwhelming majority of the peasant commune. On the whole it was deemed that the commune was still an isolated phenomenon in the collectivist agricultural movement, its present preponderating form and vital member being the Artel, at which a halt must be made. There is no doubt the régime sounded a retreat, because it recognized that the orgies of collectivization but recently so eulogized threatened to jeopardize everything. The peasants (again more especially the thriving German colonies, as, for example, in Siberia, in North Caucasus, and in the Ukraine) must in many cases have suffered severely from the forcible migration of those who did not wish to enter the collective farms, or whom the latter would not accept, as well as from the slaughtering of cattle and the squandering of other assets. Now comes the spring sowing, and Stalin is obviously battling with the situation under the fear that the rash oversetting of all the foundations of the village economy is once more exposing the country, economically and politically, to extreme danger, as was the position in 1921, when Lenin engineered the Nep because he divined that the overstraining of Communism was jeopardizing the chief tactical object: the *Smitschka*, the alliance between workers and peasants.

In November 1929 there was an indication of the kind of danger for the existing régime that might arise out of the revolutionary policy that is being applied to the peasants: the trek of about 10,000 Mennonite peasants of German origin, which started in Siberia, and attracted hordes of peasants from other parts of the vast country. "Not since the winter of 1920–21", wrote Otto Auhagen in the periodical *Osteuropa*, "has there been such an expression of popular sentiment in Soviet Russia as could be compared with this movement." Not merely Kulaks, but middling and poor peasants in large numbers, and entire villages were caught up by the migration fever. Economic need was the immediate impulse which actuated them. But undoubtedly they revolted against more than material poverty alone: against the destruction of the individual peasant family and against the religious oppression. In these thousands of German emigrants the peasant soul rebelled for the first time against the destruction of what it looks upon as its central values, and which the experiment of Bolshevism thinks it may treat with contempt. It was a symptom.

Go slowly, at least in the village, is therefore Stalin's new watchword and that of the machine which he controls. A surrender of the aim? Scarcely. Lenin also in 1921 kept his gaze fixed steadily on the goal when he embarked upon the tactical retreat of the Nep. As then and in other phases of this revolution, for the time being it is certainly the intention of the rulers to adapt themselves more smoothly to the needs of the moment. These must be faced, as the machine runs with creakings and crackings, and the tension is greater.

FRANKFORT-ON-MAIN,
End of March 1930

INDEX

AGRICULTURE—
communistic settlements, 154
types of collectivization, 157
giant communes, 159
peasant recalcitrancy, 161
model farms, 165
State grain factories, 168
views on State policy, 170
peasant contractors, 173

ARTS—
encouraged in Russia, 32

BOLSHEVISM—
a factor of aggravation, 45
adoption of Nep, 46
economic claims of, 48
its economic strategy, 50
initial delusions of, 53
control of key-positions, 57 *et seq.*
goal of, 64
fate of Left opposition, 66
dominance of Stalin, 66
industry under, 86
heritage of, 87
electricity enterprises of, 88 *et seq.*
Labour apparatus of, 130
policy towards peasants, 176
and the nationalities, 179
political goal of, 183
suppression of former people, 185
suppression of freedom, 174
propagandist methods of, 195
and the Press, 196
and the G.P.U., 199
and religion, 202 *et seq.*
as a new religion, 206
and marriage, 214
and sexual laxity, 215
aims defined, 228
interim results of, 230 *et seq.*
and the individual, 243
latest results, 247

BÜCHNER, GEORGE—
quoted, 10, 11

BUDGET—
analysis of Russian Budget 59, 60

CAPITALISM—
contrasted with Bolshevism, 233

CARLYLE, THOMAS—
quoted, 11

CHILDREN—
plight of abandoned children, 24, 25
position of children in Russia, 217

CHURCHES—
campaign against, 203, 218

CIVIL WAR—
devastations of, 43, 44

CLASSES—
equality of, 26
variations among, 28
uniformity of remuneration, 28, 29

CLUBS—
workers' clubs in Russia, 33

COLLECTIVE FARMS—
organization of, 163

COLLECTIVE MAN—
in Russia, 244

COMMUNIST PARTY—
analysis of, 187
methods of, 188 *et seq.*

CONCESSIONS—
profits of foreign concessions, 112
significance of policy, 113
prospects of concessionaires, 114
new projects, 119

CREDIT—
Government control of, 58

CURRENCY—
isolation of, 57

DICTATORSHIP OF PROLETARIAT—
foundations of, 65
pressure of, 193
instruments of, 197
subjects of, 199

EDUCATION—
new privileges of proletariat, 186
school textbooks, 209
modern trends in Russia, 223

ELECTRICITY—
Russian electricity enterprises, 88 *et seq.*

EQUALITY—
evidence of, in Russia, 26

EUROPE—
and Bolshevism, 240 *et seq.*

FIVE-YEAR PLAN—
early results of, 72
economic reactions of, 73
capital investments prescribed by, 75, 76
economic objects of, 78 *et seq.*
socialization programme of, 82
views on, 85
plan figures in agriculture, 171
latest results of, 249

FOREIGN TRADE—
Government monopoly of, 56

GINSBERG, L.—
quoted, 130

INDIVIDUALISM—
in Russia, 243

INDUSTRY—
Government control, 61, 62
impediments to, 94
problems of management, 97
the red manager, 98
the specialist, 99
discipline in the workshop, 101
high working costs of, 102
incentive of profit, 103

INDUSTRY—*Contd.*
piecework and bonuses, 104
allocation of profits of, 106
competition in industry, 108
capitalist islets in Russian industry, 113

JUGOV, A.
quoted, 69

KULAKS—
campaign against, 149 *et seq.*

LAND—
Russian land system, 114
Russian Land Law, 139

MOSCOW—
overcrowding in, 19
aspect of streets, 21

NEW ECONOMIC POLICY—
adoption of, 45, 46
revision of, 55

PEASANTS—
and new Land Law, 139
land shortage, 142
elevation of the peasant, 143
dissatisfaction among, 146
and collectivization, 152, 161
as workers in grain factories, 174

PRESS—
the Press in Russia, 194

PRICES—
Government control of, 63
price factor in Russia, 70

RED ARMY—
its place in the system, 198

REVOLUTIONS—
significance of, 9
upshot of, 12

RUSSIA—
prevailing scarcity in, 15, 16, 17
social contrasts in, 17

RUSSIA—*Contd.*
overcrowding in towns of, 20
proletarian aspect of life in, 22
plight of "bottom dogs", 23, 24, 25
and European standards, 25
evidence of social equality in, 26
railway travelling in, 26, 27
wages in, 28, 29
social life in, 31
arts and music in, 32
economic crises in, 36
increase of population of, 37
internal riches and poverty, 39
popular illiteracy, 41, 42
devastations of civil war, 43
spiritual oppression of life in, 47
agrarian predominance of, 51
economic design in, 68, 69
governmental expedients in, 70
impediments to industry in, 94
bureaucratic obstacles, 95
tariff walls, 107
capitalist businesses in, 112
economic pictures of, 121
the new situation in, 123
and the machine age, 221
spiritual changes in, 224, 225

RUSSIAN REVOLUTION—
unique character of, 13

SOCIALISM—
relation to Bolshevism, 229

SOCIALIZATION—
programme under five-year plan, 82, 83

STALIN—
predominance of, 66
rebukes excessive zeal, 251

TRADE UNIONS—
nature of Russian Trade Unions, 133
and economic constraints, 135

WAGES—
examples of, 28, 29

WOMAN—
position in Russia, 212

WORKING CLASS IN RUSSIA—
wages of, 28, 29
club life of, 33
and works democracy, 126
wages policies, 129
and right to strike, 131
settlement of working conditions, 132
democratic activities of, 137
contradictions in Labour constitution, 138

V144316 8